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Washington, Thursday, January 3, 1952

TITLE 3—THE PRESIDENT

EXECUTIVE ORDER 10317

ESTABLISHING THE PRESIDENT'S COMMISSION ON THE HEALTH NEEDS OF THE NATION

WHEREAS our Nation's strength is directly dependent upon the health of its people; and

WHEREAS the needs of our military, defense-production, and civil-defense programs for an assured and adequate supply of personnel and services present special problems in the allocation of our health resources during this emergency period; and

WHEREAS it is essential that at all times adequate provision be made to meet the health needs of the general public, including veterans; and

WHEREAS an objective appraisal of the effect of actions taken to provide for immediate and emergency needs is essential at this time in order that we may continue to meet long-term requirements for safeguarding and improving the health of the Nation:

NOW, THEREFORE, by virtue of the authority vested in me as President of the United States, it is ordered as follows:

SECTION 1. There is hereby established a commission to be known as the President's Commission on the Health Needs of the Nation, which shall consist of a chairman and fourteen other members to be designated by the President.

SEC. 2. The Commission is authorized and directed to inquire into and study the following:

(a) The current and prospective supply of physicians, dentists, nurses, hospital administrators, and allied professional workers; the adequacy of this supply in terms of the present demands for service; and the ability of educational institutions and other training facilities to provide such additional trained persons as may be required to meet prospective requirements.

(b) The present ability of local public health units to meet demands imposed by civil defense requirements and by the needs of the general public during this mobilization period.

NOTICE

The Federal Register Division will be open for the filing and public inspection of documents pursuant to section 2 of the Federal Register Act (49 Stat. 500; 44 U. S. C. 302) between the hours of 8:45 a. m. and 5:15 p. m. on Saturday, December 29, 1951, and Saturday, January 5, 1952. Issues of the FEDERAL REGISTER *will be published during the holiday period as follows:*

December 27 through December 29, 1951; January 1, January 3 through January 5, 1952.

(c) The problems created by the shift of thousands of workers to defense-production areas requiring the relocation of doctors and other professional personnel and the establishment of additional facilities to meet health needs.

(d) The degree to which existing and planned medical facilities, such as hospitals and clinics, meet present and prospective needs for such facilities.

(e) Current research activities in the field of health and the programs needed to keep pace with new developments.

(f) The effect upon the continued maintenance of a desirable standard of civilian health of the actions taken to meet the long-range requirements of military, civil-defense, veterans', and other public-service programs for medical personnel and facilities.

(g) The adequacy of private and public programs designed to provide methods of financing medical care.

(h) The extent of Federal, State, and local-government services in the health field, and the desirable level of expenditures for such purposes taking into consideration other financial obligations of government and the expenditures for health purposes from private sources.

SEC. 3. The Commission shall present to the President in writing such interim reports and final report of its studies of the subjects designated in section 2 of this order, including its recommenda-

(Continued on p. 59)

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THE PRESIDENT

EXECUTIVE AGENCIES

FEDERAL REGISTER

Published daily, except Sundays, Mondays, and days following official Federal holidays, by the Federal Register Division, National Archives and Records Service, General Services Administration, pursuant to the authority contained in the Federal Register Act, approved July 26, 1935 (49 Stat. 500, as amended; 44 U. S. C., ch. 8B), under regulations prescribed by the Administrative Committee of the Federal Register, approved by the President. Distribution is made only by the Superintendent of Documents, Government Printing Office, Washington 25, D. C.

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CODIFICATION GUIDE

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CODIFICATION GUIDE—Con.

tions for governmental action, either legislative or administrative, as it shall deem appropriate.

SEC. 4. In connection with its inquiries and studies, the Commission is authorized to hold such public hearings and to hear such witnesses as it may deem appropriate.

SEC. 5. All executive departments and agencies of the Federal Government are authorized and directed to cooperate with the Commission in its work and to furnish the Commission such information and assistance, not inconsistent with law, as it may require in the performance of its functions and duties; but this order shall not be construed as otherwise modifying the functions or responsibilities of any such department or agency.

SEC. 6. The expenditures of the Commission shall be paid out of an allotment made by the President from the appropriation entitled "Emergency Fund for the President, National Defense" (Title III of the Independent Offices Appropriation Act, 1952, Public Law 137, 82d Congress, approved August 31, 1951). Such payments shall be made without regard to the provisions of (a) section 3681 of the Revised Statutes of the United States (31 U. S. C. 672), (b) section 9 of the act of March 4, 1909, 35 Stat. 1027 (31 U. S. C. 673), and (c) such other laws as the President may hereafter specify.

SEC. 7. The Commission shall cease to exist thirty days after rendition of its final report to the President under section 3 of this order, or one year after the date of this order, whichever shall first occur.

HARRY S. TRUMAN

THE WHITE HOUSE,
December 29, 1951.

[F. R. Doc. 52-63; Filed, Jan. 2, 1952; 10:27 a. m.]

TITLE 6—AGRICULTURAL CREDIT

Chapter III—Farmers Home Administration, Department of Agriculture

Subchapter E—Account Servicing

PART 361—ROUTINE

SUBPART B—SERVICING FARM OWNERSHIP LOANS

REDEMPTION DATE; ACTIONS PRIOR TO LOAN CLOSING

1. Section 361.26 (f), Title 6, Code of Federal Regulations (16 F. R. 6995), is amended to reflect a change in the re-

demption period for insured mortgages from seven years to five years and to read as follows:

§ 361.26 *General.* * * *

(f) *Redemption date.* In all cases where a new mortgage is insured and the commitment to insure is executed on or after January 1, 1952, the one year option period for redemption will begin five years from the date of the new insured mortgage.

(Sec. 41 (1), 60 Stat. 1066; 7 U. S. C. 1015 (1). Interprets or applies sec. 5, 62 Stat. 535; 7 U. S. C. 1005b (j))

2. Section 361.30 (c) (6), Title 6, Code of Federal Regulations (16 F. R. 6997), is amended to reflect a change in the redemption period for insured mortgages from seven years to five years and to read as follows:

§ 361.30 *Subsequent insured Farm Ownership loans.* * * *

(c) *Actions prior to loan closing.* * * *

(6) The entire amount of the new promissory note will bear 3 percent interest regardless of when the initial insured loan was made. When the commitment to insure is executed on or after January 1, 1952, the one year option period for redemption of the new real estate mortgage will begin five years from the date the subsequent insured loan is closed.

(Sec. 41 (1), 60 Stat. 1066; 7 U. S. C. 1015 (1). Interprets or applies sec. 12 (c) (4), 60 Stat. 1076, as amended, sec. 5, 62 Stat. 535; 7 U. S. C. 1005b (c) (4), 1005b (j))

[SEAL] DILLARD B. LASSETER,
Administrator,
Farmers Home Administration.

DECEMBER 20, 1951.

[F. R. Doc. 52-15; Filed, Jan. 2, 1952; 8:49 a. m.]

TITLE 7—AGRICULTURE

Chapter I—Production and Marketing Administration (Standards, Inspections, Marketing Practices), Department of Agriculture

PART 27—COTTON CLASSIFICATION UNDER UNITED STATES COTTON FUTURES ACT

SUBPART C—COTTON FIBER AND SPINNING TESTS

On December 15, 1951, a notice of proposed rule making was published in the FEDERAL REGISTER (16 F. R. 12667) regarding a proposed amendment to § 27.507 of the regulations governing cotton fiber and spinning tests (7 CFR 27.501–27.512). After consideration of all relevant matters presented, including the proposal set forth in the aforesaid notice, the amendment hereinafter set forth is hereby adopted pursuant to authority contained in the Quality and Statistics Act of March 3, 1927, as amended April 7, 1941 (Stat. 131; 7 U. S. C. 473d).

The amendment revises the schedule of tests in order to approach more satisfactorily current demands for testing service; eliminates provisions for certain tests and combinations of tests that are no longer required; increases the fees for certain tests to meet the increased costs of making such tests; and makes provision for certain tests that now have been recently developed.

The Administration finds that it is impractical, unnecessary, and contrary to the public interest to give a 30-day notice of the effective date of this amendment for the reasons that (1) during the testing period beginning January 1, 1952, and continuing for approximately 3 months, cotton breeders and others will concentrate on their testing programs to serve as a basis for making selections for the planting of the 1952 crop, thus creating a heavy demand for testing service; (2) it is desirable that new tests provided for in the amendment should be available to the industry as soon as possible; (3) the increases in the fees are necessary to defray the increased costs in providing the testing service and should be established at the beginning of the testing period; (4) the amendment requires no preparation on the part of those who utilize the testing service which cannot be completed prior to January 1, 1952, and (5) nothing would be gained by delaying the effective date of the amendment. Therefore, the amendment here issued will be effective January 1, 1952, after publication in the FEDERAL REGISTER (see section 4c of the Administrative Procedure Act; 5 U. S. C. 1003 (c)).

Now, therefore, it is hereby ordered, That § 27.507 of Part 27, Title 7 of the Code of Federal Regulations be, and the same hereby is amended to read as set forth in the notice of proposed rule making published in the FEDERAL REGISTER on December 15, 1951 (16 F. R. 12667):

§ 27.507 *Prescribed fees.* (a) Fees for fiber and spinning tests shall be assessed in accordance with items 1 to 32 inclusive, listed below:

Item No.	KIND OF TEST	*Fee per test*
1.	Ginning of test samples (maximum 25 pounds of seed cotton; reporting weight of the seed cotton ginned, weights of the cotton seed and the lint delivered, and percentage lint turnout) (per sample)	$1.50
2.	Fiber length array of ginned cotton lint (3 sortings from a blended sample; calculating upper quartile length, mean length, and coefficient of variation; reporting averages of the 3 arrays) (per sample)	8.00
2a.	Fiber length array of ginned cotton lint (3 sortings from a blended sample; calculating upper quartile length, mean length, coefficient of variation, and percentage of fibers by weight in each ⅛-inch group; reporting averages of the 3 arrays) (per sample)	10.00
2b.	Fiber length array of purified or absorbent cotton according to U. S. Pharmacopoeia Standards (3 sortings from a blended sample; calculating upper quartile length, mean length, coefficient of length variation, percentage of fibers ½-inch and longer by weight, and percentage of fibers shorter than ¼-inch by weight; reporting averages of the 3 arrays) (per sample)	12.50
2c.	Fiber length array of cotton manufacturing wastes (3 sortings from a blended sample; calculating upper quartile length, mean length, and coefficient of variation; reporting averages of the 3 arrays) (per sample)	12.50
2d.	Fiber length array of cotton manufacturing wastes (3 sortings from a blended sample; calculating upper quartile length, mean length, coefficient of length variation, and percentage of fibers by weight in each ⅛-inch length group; reporting averages of the 3 arrays) (per sample)	$15.00
3.	Fiber length of ginned cotton lint by Fibrograph method (5 measurements from a blended sample; determination of upper half mean length, mean length, and uniformity ratio; reporting averages of the 5 determinations) (per sample)	1.25
3a.	Fiber length of ginned cotton lint by Fibrograph method (2 measurements on each of 3 or more replicate unblended sub-samples; determination of upper half mean length, mean length, and uniformity ratio; reporting lengths of each sub-sample and averages of all replicate sub-samples for lengths and uniformity):	
	Per sub-sample	.50
	Minimum fee	2.00
4.	Determination of foreign matter content in unginned seed cotton (300-gram sample by fractionation test; reporting percentage of foreign matter) (per sample)	1.00
5.	Fiber strength of ginned cotton lint by flat bundle method (6 measurements from a blended sample; calculating strength index and thousand pounds per square inch; reporting averages of the 6 breaks) (per sample)	1.25
5a.	Fiber strength of ginned cotton lint by flat bundle method (2 measurements on each of 3 or more replicate unblended sub-samples; calculating strength index and thousand pounds per square inch; reporting index of each sub-sample and averages of all replicate sub-samples for index and strength):	
	Per sub-sample	.50
	Minimum fee	2.00
6.	Fiber fineness and maturity of ginned cotton lint by the array method (2 measurements on fibers in each ⅛-inch length group from a composite of 2 length arrays; calculating weight-per-inch and percentage of mature fibers (weighted according to the distribution of the fibers in the arrays); reporting averages of the 2 determinations) (per sample)	10.00
6a.	Combination fiber test (Item numbers 2 and 6) (per sample)	12.50
6b.	Fiber fineness of ginned cotton lint by Micronaire method (1 determination on each of 2 specimens from a blended sample; reporting averages of the 2 specimens for weight-per-inch) (values are based on a curvilinear scale developed for American upland cottons or on a special scale developed for American Egyptian cottons) (per sample)	.50
	5 or more samples submitted at the same time (per sample)	.40
6c.	Fiber fineness of ginned cotton lint by Micronaire method (2 determinations on each of 2 or more replicate unblended subsamples; reporting weight-per-inch of each sub-sample and averages of all replicate sub-samples) (values are based on a curvilinear scale developed for American upland cottons or on a special scale developed for American Egyptian cottons):	
	Per sub-sample	.40
	Minimum fee	2.00

Item No.	KIND OF TEST—continued	Fee per test
6d.	Fiber maturity of ginned cotton lint by the random sample method (6 measurements of approximately 200 fibers each from a blended sample based on microprojector readings; reporting averages of the 6 determinations for percentage of mature fibers) (per sample)	$2.50
6e.	Fiber fineness and maturity of cotton manufacturing wastes by the array method (2 measurements on fibers from each ½-inch length group from a composite of 2 length arrays; calculating weight-per-inch and percentage of mature fibers (weighted according to the distribution of the fibers in the arrays); reporting averages of the 2 determinations) (per sample)	12.50
7.	Fiber cross-section of ginned cotton lint (includes 1 photomicrograph print (1,000x) of 1 section; calculating fiber diameter, wall thickness, and circularity ratio based on measurements of 200 fibers; reporting averages of the 200 measurements) (per sample)	15.00
7a.	Fiber cross section of ginned cotton lint (includes 1 photomicrograph print (1,000x) of 1 section without any measurements or calculations being made) (per sample)	10.00
7b.	Furnishing additional photomicrograph prints of fiber cross section (Item Nos. 7 or 7a) (per print)	1.00
8.	Furnishing a 1-pound sample of American cotton for laboratory check test (includes data showing results obtained in the Cotton Branch laboratories for array and Fibrograph lengths, flat bundle strength, Micronaire fineness, and random sample maturity):	
	Medium staple (per sample)	15.00
	Long staple (per sample)	15.00
	Short staple (per sample)	15.00
9.	Blending samples of ginned cotton lint (7 grams on mechanical blender) (per sample)	.75
10.	Determination of moisture content in ginned cotton lint, cotton stock at various stages of processing, cotton yarn, or cotton manufacturing wastes. . . . 20-gram sample by the drying oven method; reporting moisture content percentage:	
	Per sample	.60
	Minimum fee	3.00
11.	Carded yarn spinning test (5-pound sample of ginned lint; 2 standard laboratory yarn numbers (14s, 22s, 36s, 44s, 50s, and 60s) processed and spun from cottons carded at 1 of the standard rates of card production (6½, 9½ and 12½ pounds per hour) using the optimum spinning twist multiplier (yarn numbers, carding rate and optimum twist multiplier based on the Fibrograph upper half mean length unless otherwise specified); reporting grade and staple classification, Fibrograph length, weight of cotton fed to the first picker, carding rate, percentage of picker and card waste, neps per 100 square inches of card web, spinning twist multiplier, yarn skein strengths and average yarn strength index, yarn appearance grades and average yarn appearance index and comments summarizing any unusual processing observations):	
	Per sample	30.00
	4 or more samples submitted at the same time (per sample)	25.00
12.	Combed yarn spinning test (7-pound sample of ginned lint; 2 standard laboratory yarn numbers (14s, 22s, 36s, 44s, 50s, 60s, 80s, and 100s) processed and spun from cotton carded at 1 of the standard rates of card production (3½, 6½, and 9½ pounds per hour) using 1 of the standard comber settings (0.42", 0.48" and 0.54") and the optimum spinning twist multiplier (yarn number, carding rate, comber setting and optimum twist multiplier based on the Fibrograph upper half mean length unless otherwise specified); reporting grade and staple classification, Fibrograph length, weight of cotton fed to first picker, carding rate, comber setting, picker and card waste, comber waste, total waste, neps per 100 square inches of card web, spinning twist multiplier, yarn skein strength and average yarn strength index, yarn appearance grades and average yarn appearance index, and comments summarizing any unusual processing observations):	
	Per sample	$35.00
	4 or more samples submitted at the same time (per sample)	30.00
13.	Carded and combed yarn spinning test (9-pound sample of ginned lint, same yarn numbers and carding rate for both carded and combed yarn tests; as specified in item numbers 11 and 12):	
	Per sample	60.00
	4 or more samples submitted at the same time (per sample)	45.00
14.	Carded and combed yarn spinning tests (9-pound sample of ginned lint; different yarn numbers and/or different carding rates for carded and combed yarn tests; as specified in item numbers 11 and 12):	
	Per sample	65.00
	4 or more samples submitted at the same time (per sample)	50.00
15.	Carded yarn spinning test (2-pound sample of ginned lint (available to cotton breeders only); 22s and 36s yarn processed and spun as specified in item number 11; reporting grade and staple classification, Fibrograph length, yarn skein strengths and average yarn strength index, and yarn appearance grades and average yarn appearance index):	
	Per sample	20.00
	4 or more tests submitted at the same time (per sample)	15.00
16.	Spinning twist test (5-pound sample of ginned lint, picker lap, sliver, or roving; 1 yarn number (any spinnable number from 14s to 100s) processed and spun with 6 different spinning twist multipliers as a basis for determining optimum twist (i. e. the twist that will result in maximum yarn skein strength); reporting averages of 25 skeins for each of 6 twists) (per sample)	40.00
17.	Spinning twist test (same material and in connection with either item numbers 16 (additional yarn number or additional twists for the same yarn number) or 11 through 14; reporting results as specified in item number 16) (per test, 6 lots of yarn)	25.00
18.	Furnishing singles yarn on parallel paper tubes (any number and twist as spun in connection with a spinning test) (item numbers 11 through 14) (in quantities as follows):	

Description	Per pound	Each additional pound
Carded yarn: 60s or coarser	$12.50	$10.00
Combed yarn:		
60s or coarser	15.00	12.50
61s to 80s	17.50	15.00
81s to 100s	20.00	17.50

Item No.	KIND OF TEST—continued	Fee per test
19.	Furnishing yarn appearance boards (for yarn spun in connection with a spinning test or a yarn skein strength test) (item numbers 11 through 15 or 23) (per board)	$0.75
20.	Processing and testing additional yarn numbers (in connection with a spinning test) (item numbers 11 through 14) (per additional yarn number)	5.00
21.	Processing and testing 2-ply or 3-ply yarns (in connection with a spinning test) (item numbers 11 through 14) (per yarn number)	10.00
21a.	Processing and testing yarns having 4 or more ply (in connection with a spinning test) (item numbers 11 through 14), construction not coarser than equivalent of 1s single yarn number (per yarn number)	15.00
22.	Processing and testing cord (having any construction not coarser than the equivalent of 1s single yarn number) (such as 1cs/4/3 or other tire cord constructions) in connection with a spinning test (item numbers 11 through 14); reporting single strand strength, elongation, twist per inch (ply and cable), and gage (per construction)	25.00
23.	Skein strength of yarn (reporting averages of 25 skeins for both strength and yarn number) (per sample)	2.00
23a.	Appearance grade of yarn (reporting average yarn appearance grade) (per sample)	1.00
24.	Single strand strength of yarn (on Mocerop testing machine, a minimum of 36 breaks on each of 6 bobbins; reporting strengths for each bobbin and averages of the 6 bobbins for both strength and yarn number) (per sample)	2.50
24a.	Furnishing copies of record charts for single strand strength (Mocerop testing machine) (per copy)	1.00
24b.	Single strand strength of ply yarn or cord (pendulum testing machine); reporting average of 25 breaks (per sample)	2.00
25.	Determination of foreign matter content in cotton samples (by Shirley Analyzer separation of lint and foreign matter; reporting weight of the cotton fed, weights of the lint and foreign matter delivered, and percentage of non-lint content):	
	4-ounces of ginned lint (per sample)	2.50
	4-ounces of cotton wastes (per sample)	4.00
	1-pound of ginned lint (per sample)	6.00
	1-pound of cotton waste (per sample)	8.00

Item No.	KIND OF TEST—continued	Fee per test
26.	Furnishing identified cotton samples (in connection with fiber and/or spinning tests; samples of ginned lint, stock at various stages of processing, manufacturing waste of various types, yarn, fabric, or test material at various stages of testing) (per sample)	$0.50
27.	Determination of waste and neps in cotton (processing and testing through the picking and carding processes in accordance with item number 11; reporting weight of cotton fed to 1st picker, carding rate, percentage of picker and card waste, and neps per 100 square inches of card web):	
	5 pounds of ginned lint (per sample)	6.00
	50 pounds of ginned lint (per sample)	30.00
27a.	Determination of neps in card web (from specimens furnished by applicant on boards covered with black velvet; maximum of 10 specimens or 360 square inches; reporting average neps per 100 square inches of card web) (per test)	1.50
28.	Classification of ginned cotton lint (including grade and staple length) (per sample)	.25
29.	Strength of fabric (grab method) (5 breaks each for both warp and filling, reporting averages of 5 breaks for both warp and filling) (per sample)	4.00
30.	Processing, weaving, and testing of fabric (any standard fabric construction which the laboratories are equipped to produce in connection with a spinning test (item numbers 11 through 14), reporting averages for both warp and filling strength) (per fabric)	35.00
31.	Furnishing more than 2 copies of test results (per sheet)	.25
31a.	Furnishing a certified relisting of test results (for selected samples from previous tests (sub-sample test results not included)) (per sheet)	2.50
32.	Furnishing copies of test data work sheets (per sheet)	.50

(b) Fees for combinations of tests not provided for in this section shall be determined by the Administrator of the Production and Marketing Administration.

(Sec. 3, 50 Stat. 62; 7 U. S. C. 473 c. Interprets or applies sec. 3, 55 Stat. 131; 7 U. S. C. 473 d)

Issued at Washington, D. C., this 28th day of December 1951 to become effective on and after January 1, 1952.

[SEAL] CHARLES F. BRANNAN,
Secretary of Agriculture.

[F. R. Doc. 52-16; Filed, Jan. 2, 1952; 8:49 a. m.]

Chapter IX—Production and Marketing Administration (Marketing Agreements and Orders), Department of Agriculture

PART 936—FRESH BARTLETT PEARS, PLUMS, AND ELBERTA PEACHES GROWN IN CALIFORNIA

Correction

In F. R. Doc. 51-15025, appearing at page 12765 of the issue for Thursday, December 20, 1951, the following changes should be made:

In the fourth sentence of § 936.19, a comma should be inserted between the words "any" and "submitted".

In the second sentence of § 936.27, the word "quality" should read "qualify".

In the first sentence of § 936.34 (g), a comma should be inserted between the words "fruit" and "possible".

In § 936.50 (d) (2), "pre-colled" should read "pre-cooled".

In § 936.57 (b), a comma should be inserted between the words "America" and "by".

The section heading "§ 936.78 *Information to Secretary*" should read "§ 936.76 *Information to Secretary*".

In the second sentence of § 936.141 (c), the word "as" should read "or".

TITLE 8—ALIENS AND NATIONALITY

Chapter III—Office of Philippine Alien Property Administration

REVOCATION OF CHAPTER

The published regulations of the Philippine Alien Property Administration, consisting of Parts 601, 602, 611 and 621 of Chapter III of Title 8, Code of Federal Regulations, were superseded by the Rules of the Office of Alien Property, Chapter II of Title 8, Code of Federal Regulations, on June 29, 1951, pursuant to Executive Order 10254 of June 15, 1951, and are hereby terminated as of the close of business in Washington on June 29, 1951.

(40 Stat. 411, 55 Stat. 839, 60 Stat. 50, 925, 50 U. S. C. App. 1, 38; 64 Stat. 1116, 22 U. S. C. and Supp. 1382; E. O. 9142, April 21, 1942, 7 F. R. 2985, 3 CFR 1943 Cum. Supp.; E. O. 9193, July 6, 1942, 7 F. R. 5205, 3 CFR 1943 Cum. Supp.; E. O. 9567, June 8, 1945, 10 F. R. 6917, 3 CFR 1945 Supp.; E. O. 9725, May 16, 1946, 11 F. R. 5381, 3 CFR 1946 Supp.; E. O. 9788, October 14, 1946, 11 F. R. 11981, 3 CFR 1946 Supp.; E. O. 9818, January 1, 1947, 12 F. R. 133, 3 CFR 1947 Supp.; E. O. 9921, January 10, 1948, 13 F. R. 171, 3 CFR 1948 Supp.; E. O. 10254, June 15, 1951, 16 F. R. 5829)

Executed at Washington, D. C., on December 28, 1951.

[SEAL] HAROLD I. BAYNTON,
Assistant Attorney General, Director, Office of Alien Property.

[F. R. Doc. 52-26; Filed, Jan. 2, 1952; 8:51 a. m.]

TITLE 15—COMMERCE AND FOREIGN TRADE

Subtitle A—Office of the Secretary of Commerce

PART 1—SPECIAL STUDIES AND SERVICES BY BUREAUS OF DEPARTMENT OF COMMERCE

FEE STRUCTURE FOR AGE SEARCH AND CITIZENSHIP SERVICE BY BUREAU OF CENSUS

In accordance with the provisions of section 4 (a) and (c) of the Administrative Procedure Act, it has been found that notice and hearing on these schedules of fees and postponement of the effective date thereof are impracticable and unnecessary for the reason that such procedure, because of the nature of these rules, serves no useful purpose. These schedules are effective from January 1, 1952.

§ 1.5 *Fee structure for age search and citizenship service by Bureau of Census.* (a) In accordance with the provisions of the act of May 27, 1935 (49 Stat. 292, 293; 15 U. S. C. 189a, 192, 192a), authorizing the Department of Commerce to make special statistical studies and to perform other specified services upon the payment of the cost thereof, the following fee structure is hereby established for age search and citizenship service by the Bureau of the Census:

Type of service	*Fee*
A search in regular turn of not more than 2 censuses for 1 person	$3.00
A priority search for not more than 2 censuses for 1 person	4.00
Each additional copy of census transcript	1.00

(b) No transcript of any record furnished under authority of this act shall be approved which would violate existing or future acts requiring that information furnished by contributors be held confidential.

(c) These rates shall be effective January 1, 1952, and all applications affected by this order postmarked later than 12:01 a. m. of January 1, 1952, shall be subject thereto.

(Sec. 3, 49 Stat. 293, as amended; 15 U. S. C. 192a. Interprets or applies sec. 1, 49 Stat. 292, sec. 1, 40 Stat. 1256, as amended; 15 U. S. C. 189a, 192)

Approved: December 28, 1951.

[SEAL] CHARLES SAWYER,
Secretary of Commerce.

[F. R. Doc. 52-27; Filed, Jan. 2, 1952; 8:51 a. m.]

TITLE 26—INTERNAL REVENUE

Chapter I—Bureau of Internal Revenue, Department of the Treasury

Subchapter A—Income and Excess Profits Taxes

[Reg. 111; T. D. 5875]

PART 29—INCOME TAX; TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1941

INTEREST UPON STATE OBLIGATIONS

PARAGRAPH 1. Section 29.22 (b) (4)-1 of Regulations 111 (26 CFR 29.22 (b) (4)-1) is amended by striking the third sentence thereof which reads as follows: "Special tax bills issued for special benefits to property, if such tax bills are legally collectible only from owners of the property benefited, are not the obligations of a State, Territory, or political subdivision."

PAR. 2. Because the amendment made by this Treasury decision will operate to relieve taxpayers from a limitation applicable under existing regulations, it is found that it is unnecessary to issue this Treasury decision with notice and public procedure thereon under section 4 (a) of the Administrative Procedure Act, approved June 11, 1946, or subject to the effective date limitation of section 4 (c) of such act.

(53 Stat. 32, 467; 26 U. S. C. 62, 3791)

[SEAL] JOHN B. DUNLAP,
Commissioner of Internal Revenue.

Approved: December 28, 1951.

THOMAS J. LYNCH,
Acting Secretary of the Treasury.

[F. R. Doc. 52-33; Filed, Jan. 2, 1952; 8:53 a. m.]

Subchapter C—Miscellaneous Excise Taxes

[Regs. 59; T. D. 5876]

PART 323—SPECIAL TAXES WITH RESPECT TO COIN-OPERATED AMUSEMENT AND GAMING DEVICES, BOWLING ALLEYS, BILLIARD TABLES, AND POOL TABLES

INCREASE IN RATE OF TAX ON COIN-OPERATED GAMING DEVICES

In order to conform Regulations 59 (26 CFR Part 323), relating to special taxes with respect to coin-operated amusement and gaming devices, bowling alleys, billiard tables and pool tables, to the Revenue Act of 1951 (Public Law 183, 82d Congress, 1st Session), approved October 20, 1951, such regulations are hereby amended as follows:

PARAGRAPH 1. Immediately preceding § 323.20, there is inserted the following:

SEC. 463. TAX ON COIN-OPERATED GAMING DEVICES (REVENUE ACT OF 1951, APPROVED OCTOBER 20, 1951).

Section 3267 (a) (tax on coin-operated gaming devices) is hereby amended by striking out "$150" wherever appearing therein and inserting in lieu thereof "$250".

SEC. 464. EFFECTIVE DATE OF PART VI (REVENUE ACT OF 1951, APPROVED OCTOBER 20, 1951).

The amendments made by sections * * * 463 shall take effect on the first day of the first month which begins more than ten days after the date of the enactment of this Act. In the case of the year beginning July 1, 1951, where the trade or business on which the tax is imposed was commenced prior to the first day of the month specified in the preceding sentence, the increase in tax resulting from such amendments shall be reckoned proportionately from the first day of such month to and including the thirtieth day of June following and shall be due on, and payable on or before, the last day of the month specified in the preceding sentence.

PAR. 2. Section 323.20, as amended by Treasury Decision 5827, approved January 16, 1951, is further amended by striking out so much of such section as precedes paragraph (b) and inserting in lieu thereof the following:

§ 323.20 *Effective dates of tax.* The effective dates of the rates of tax with respect to coin-operated amusement and gaming devices imposed by section 3267, added to the Internal Revenue Code by section 555 of the Revenue Act of 1941, including changes made in such rates by section 617 of the Revenue Act of 1942, section 603 of the Revenue Act of 1950, and section 463 of the Revenue Act of 1951, are as follows:

(a) Except as indicated by paragraph (c) of this section, the rates of tax applicable with respect to gaming devices operated by means of the insertion of a coin, token, or similar object are:

(1) October 1, 1941, through June 30, 1943, $50 per annum;

(2) July 1, 1943, through October 31, 1950, $100 per annum;

(3) November 1, 1950, through October 31, 1951, $150 per annum;

(4) On and after November 1, 1951, $250 per annum.

PAR. 3. Section 323.22, as amended by Treasury Decision 5827, is further amended—

(A) By striking out so much of paragraph (a) (4) (i) as precedes "in the case of" and inserting in lieu thereof the following:

(4) (i) Effective October 1, 1941, through June 30, 1943, $50, effective July 1, 1943, through October 31, 1950, $100, effective November 1, 1950, through October 31, 1951, $150, and effective on and after November 1, 1951, $250, per year

(B) By adding after the fourth paragraph beginning with "Those persons who prior to November 1, 1950," the following:

Those persons who prior to November 1, 1951, paid or incurred the special tax liability at the rate of $150 per year for gaming devices and continued to maintain for use such devices on November 1, 1951, are liable for additional tax for the period November 1, 1951, through June 30, 1952, at the increased rate of $100 per annum. The additional tax liability for the 8-month period from November 1, 1951, through June 30, 1952, shall be computed on the basis of 8/12 of $100, or $66.67, for each device.

PAR. 4. Section 323.40 is amended as follows:

(A) By striking out in the last sentence of paragraph (a) the following: ", subscribed, and attested".

(B) By striking out the last sentence of paragraph (d).

Because this Treasury decision makes technical amendments to the regulations, it is found that it is unnecessary to issue this Treasury decision with notice and public procedure thereon under section 4 (a) of the Administrative Procedure Act, approved June 11, 1946, or subject to the effective date limitation of section 4 (c) of said act.

(53 Stat. 467; 26 U. S. C. 3791)

[SEAL] JOHN B. DUNLAP,
Commissioner of Internal Revenue.

Approved: December 28, 1951.

THOMAS J. LYNCH,
Acting Secretary of the Treasury.

[F. R. Doc. 52-34; Filed, Jan. 2, 1952; 8:53 a. m.]

TITLE 32—NATIONAL DEFENSE

Chapter V—Department of the Army

Subchapter A—Aid of Civil Authorities and Public Relations

PART 515—REGULATIONS FOR CORRESPONDENTS, TECHNICAL OBSERVERS AND SERVICE SPECIALISTS ACCOMPANYING U. S. ARMY FORCES IN THE FIELD

CORRESPONDENTS

Sections 515.1–515.18 are rescinded and the following substituted in lieu thereof:

CORRESPONDENTS

AUTHORITY: §§ 515.1–515.25 issued under R. S. 161; 5 U. S. C. 22.

SOURCE: §§ 515.1–515.26 contained in AR 360-C0, 7 December 1951.

§ 515.1 *General*—(a) *Purpose.* Sections 515.1–515.26 acquaint correspondents with their responsibilities while under the jurisdiction of the Armed Forces in area commands as designated by the Secretary of Defense and serve as a directive to Armed Forces personnel in their relationship with correspondents under jurisdiction of the Armed Forces.

(b) *Policy.* The policy of the Department of Defense is to give the public timely and, so far as it is compatible with national defense, complete information of Army, Navy, Air Force, Marine Corps, and Coast Guard activities and to afford opportunities to correspondents of recognized public information agencies to gather and transmit such news.

§ 515.2 *Definitions.* For the purpose of simplification and understanding, certain terms used herein are defined below:

(a) "Public information agencies" shall mean a press, radio, or pictorial organization regularly engaged in the collection and dissemination of news to the public, including press associations, news and pictorial feature services, newspapers, periodicals, radio and television broadcasting organizations, and newsreel companies.

(b) "Correspondents" shall mean journalists, press reporters, photographers, columnists, editors and publishers, radio and television reporters, commentators and cameramen, and newsreel and other documentary picture production personnel who are duly accredited to the Department of Defense and regularly engaged in the collection and dissemination of news to the public.

(c) "News material" shall mean all news material, whether of information or opinion and whether visual or auditory, for dissemination to the public.

(d) "Press traffic" shall mean news material transmitted in writing or by means of telecommunications (in form customarily employed by news media agencies in transmitting such news material before publication) to newspapers, news periodicals, and broadcasting organizations.

(e) "Official photographs" shall mean those stills made by military photographers or civilian photographers employed by the Department of Defense, as distinguished from photographs made by war correspondent photographers. Unclassified official and unclassified captured photographs will be made available to all interested news photo agencies and media when practicable.

(f) "Official motion pictures" shall be those motion pictures made by military photographers or civilian photographers employed by the Department of Defense, as distinguished from motion pictures made by war correspondent photographers. Unclassified official motion pictures as well as unclassified captured motion pictures will be made available to all interested theater newsreel and television news film companies and other media if practicable.

§ 515.3 *Status and privileges.* All possible assistance within the limits dictated by military necessity will be given correspondents to assist them in performing efficiently and intelligently their work of keeping the public informed of the activities of the Armed Forces of the United States.

(a) Correspondents accompanying the Armed Forces of the United States are subject to the orders of the military commander of the unit to which attached. They are subject to military law in accordance with the Uniform Code of Military Justice, Article 2 (10), (11), and (12). They must wear the prescribed uniform and be prepared to identify themselves when called upon to do so by proper authority. They shall at all times observe the same military security regulations as service personnel, including censorship of personal correspondence.

(b) Correspondents are not, in general, entitled to the benefits provided by law for persons in the Armed Forces.

(c) In the event of capture by enemy forces, correspondents are entitled to treatment as prisoners of war, provided they are in possession of an identity card issued by the Department of Defense establishing their status. (Article 4, Geneva Convention Relative to the Treatment of Prisoners of War, of August 12, 1949.) (§ 515.7 (a) and (b).)

(d) Correspondents will not exercise command, will not be placed in a position of authority over military personnel, nor will they be armed. They will have the same obligations as military personnel in regard to personal conduct, the settlement of accounts, and compliance with standing orders.

(e) A correspondent becomes subject to military law, as indicated above, upon physically entering a theater of operation in an accredited status, or upon boarding Government transportation en route thereto.

(f) As far as facilities permit, correspondents will be treated as commissioned officers, with the assimilated rank of major or comparable grade, in such matters as messing, living accommodations, and transportation. They will be accorded the same privileges and have the same obligations as officers in the use of post exchanges, ships stores, clothing sales stores, and recreational facilities. Use of such facilities must be without cost to the Government.

(g) Correspondents may converse freely with Armed Forces personnel, unless such conversation interferes with the discharge of military duties. They are expected, however, to refrain from conversing with Armed Forces personnel at work or on guard, or from discussing or soliciting information known to be classified.

§ 515.4 *Application.* Application for the accreditation of any individual correspondent will be submitted by the sponsoring employer to the Office of Public Information, Department of Defense, Washington 25, D. C.

§ 515.5 *Limit on number.* The following considerations shall govern the number of correspondents accredited to any threater of operations:

(a) The number of correspondents accredited to a theater will be within quotas established by the theater commander after coordination with the military department concerned and the Department of Defense. Quotas will be determined by the size of the command and the availability of facilities and logistical support.

(b) When limitation of quotas is necessary, the Department of Defense will give preference in the consideration of applications to agencies reaching broad segments of the American public and to selections which maintain a balanced representation of the various informational media.

§ 515.6 *Agreement.* Before final acceptance, a correspondent will be required to sign an agreement in quadruplicate as follows:

OFFICE OF THE SECRETARY OF DEFENSE,
Office of Public Information,
Washington 25, D. C.,
_____
(Date)

AGREEMENT

As a correspondent accredited to and authorized by the Department of Defense to join _____ for the purpose of obtaining new material for public dissemination, I subscribe to the following conditions:
(Name of unit)

1. As a correspondent, I understand that I am subject to military law in accordance with the provisions of Article 2 (10), (11) and (12) of the Uniform Code of Military Justice, and to all regulations for the Government of the Armed Forces.

2. My movements and actions shall be in accordance with the regulations of the Department of Defense and the instructions of the commanding officer of the headquarters to which I am attached.

3. I agree to submit for censorship all news material obtained during the period of this accreditation, whether for release while with the armed forces or thereafter as long as security is a consideration.

4. I agree to comply with all currency control regulations in effect in the places visited under this authorization.

5. I guarantee to meet all financial obligations incurred by me while accompanying the armed forces under this authorization.

6. I waive all claims against the United States for loss or damage to my property or for personal injury, sustained in connection with my activities as a war correspondent, during the period covered by this authorization.

7. This authorization is for the period _____ to _____ and subject to revocation at any time, for cause, by the Department of Defense.

Signed _____
Representing _____
(Company, syndicate, or agency)

Witnessing officer _____
(Name)

1 copy—Office of Public Information, Department of Defense.
1 copy—Military Department concerned.
1 copy—Commanding officer, headquarters concerned.
1 copy—Correspondent.

§ 515.7 *Credentials.* The issuance and use of credentials shall be as outlined below.

(a) When an application for accreditation as a correspondent is approved, the applicant will be furnished credentials, including a correspondent's identification card (SD Form 36), by the Office of Public Information, Department of Defense. Possession of this identification card establishes the physical identity of the correspondent, his connection with a recognized public information agency, and the completion of a file check by appropriate Federal security agencies.

(b) The correspondent shall be furnished an identity card by the Department of Defense (DD Form 489), stating that he is an accredited correspondent serving with the Armed Forces of the United States and entitled to treatment as a prisoner of war in accordance with Article 4, Geneva Convention Relative to Prisoners of War, of August 12, 1949. For the purpose of insuring proper treatment in the event of capture, the identity card will provide the assimilated rank of major or comparative grade.

(c) A correspondent's accreditation card does not authorize the bearer to have access to classified military information.

(d) Correspondents will produce identification cards upon request of an officer, warrant officer, or enlisted man in the execution of his duty.

(e) Where conditions warrant, in addition to Department of Defense credentials, major headquarters commanders may issue passes or credentials with regulations governing their use.

§ 515.8 *Termination of accreditation to a theater of operation.* An accredited correspondent may leave a theater of operation at any time upon military orders issued by the commander concerned.

(a) If accompanying the Armed Forces beyond the territorial limits of the United States, and the return journey is made by Government transportation, relief does not become effective until arrival in the United States. If the journey is made by other than Government transportation, relief becomes effective at the time of departure from the

theater of operation or base command.

(b) Accreditation as a war correspondent to a theater of operation will be terminated upon:

(1) Severance of employment with the sponsoring agency.

(2) Revocation of accreditation.

(c) Revocation of accreditation is a responsibility solely of the Secretary of Defense. In general, disaccreditation will result from:

(1) Personal misconduct of a criminal or moral nature.

(2) Violation of security regulations.

(3) Membership in, close relationship to, or adherence to subversive organizations.

(d) Upon termination of accreditation, the correspondent will leave the theater of operation or base command upon instructions of the commander concerned. Correspondents whose accreditation has been terminated will surrender their credentials to the theater or base commander before departure for the continental United States, at which time they will be issued temporary credentials covering the return journey. The theater or base commander will forward the expired credentials to the Office of Public Information, Department of Defense.

§ 515.9 *Uniform.* (a) Accredited correspondents accompanying the Armed Forces of the United States in a theater of operation will wear the following officer-type service uniforms:

(1) *Winter.* Jacket and/or shirt and trousers, wool, shade 33; or fatigue clothing; necktie, shade 51, trench coat, shade 79; garrison cap, wool, shade 33.

(2) *Summer.* Cotton khaki shirt, trousers and cotton khaki garrison cap, shade 1; or fatigue clothing; necktie, shade 51.

(b) Correspondents accompanying the Armed Forces of the United States will wear civilian insignia conforming to the following specifications: On a khaki-colored cloth background 2½ inches in height and 3 inches in width, a dark blue equilateral triangle of 1¼ inches, bearing the letters U. S. in khaki color ¼ inch in width and ½ inch in height. The word WAR will appear above the blue triangle and the word CORRESPONDENT below it in dark blue letters ¼ inch in height. This insignia will be worn on the left breast pocket of outer garments or in a comparable position on outer garments having no pockets. It will also be worn on the left front of the garrison cap.

(c) Correspondents may wear military decorations awarded to them as civilians accompanying the Armed Forces. They may also wear decorations or service ribbons awarded them for previous active military service.

(d) Correspondents may not wear military insignia or divisional or unit insignia. Civilians accompanying the Armed Forces are not eligible for the award of service medals.

(e) Articles of special clothing and equipment may be issued to correspondents on memorandum receipt where required.

(f) Accredited correspondents will not wear civilian clothing while accompanying the Armed Forces in a theater of operation. Exceptions may be made for special groups under escort visiting military areas for limited periods.

§ 515.10 *Transportation.* (a) When commercial facilities are inadequate, Government transportation may be furnished to accredited correspondents, for travel to and from the command to which attached, whenever such transportation is available and essential military personnel are not displaced.

(b) Within the theater, or other command of attachment, correspondents may request Government transportation required for the accomplishment of their missions.

(c) The baggage of correspondents normally will be moved with that of the headquarters to which attached. Its weight and content will be within the limits prescribed by the commander concerned.

§ 515.11 *Reporting upon arrival.* Upon arrival at the headquarters to which attached, correspondents will report to the Public Information officer, who will provide the assistance and guidance required for the accomplishment of their missions.

§ 515.12 *Change in assignment.* Changes in assignment will be effected as follows:

(a) Correspondents officially assigned to the headquarters of a senior commander may, at their request, be attached to a subordinate headquarters. Such changes of assignment will be subjected to the approval of the commanding officers concerned.

(b) A correspondent's movement to a theater other than that to which currently assigned will be accomplished only when the approval of the commanders concerned and the Department of Defense.

§ 515.13 *Discipline.* Disciplinary action may be taken as follows for violation of §§ 515.1–515.26 or other regulations:

(a) The privileges accorded an accredited correspondent may be suspended for the use of words or expressions in a news dispatch intended to mislead or deceive a censor and cause approval of otherwise objectional dispatches.

(b) In extreme cases of offense, the correspondent may be placed in arrest to await evacuation or disciplinary action.

(c) Information of the conduct of a correspondent warranting disciplinary action together with that of any action taken or contemplated, will be forwarded through appropriate channels to the Office of Public Information, Department of Defense.

§ 515.14 *Communication with sponsoring agency.* When the behavior or activities of a correspondent are of such a nature, commendable or otherwise, as to warrant calling the facts to the attention of the sponsoring agency, commanders will forward all pertinent information to the military department concerned. Recommendations relative to the case will be sent by the department to the Office of Public Information, Department of Defense, for action.

§ 515.15 *Filing of material.* (a) Prior to transmittal, all news material will be submitted for review to the appropriate censorship authority, as directed by the commander of the force to which the correspondent is attached (§ 515.16).

(b) Correspondents will employ only those communications facilities designated by the commander of the force or unit to which attached.

(c) When commercial communications facilities are not available, the use of Armed Forces facilities by correspondents is authorized subject to the following conditions:

(1) Press traffic will not interfere with operational military traffic.

(2) When military necessity requires that priority of transmission of news material be established, procedures (pooling, priorities, word limit restrictions, etc.) will be prescribed by the commander concerned.

(3) Press traffic originating on military facilities will be refiled commercially at the commercial refile point for the area concerned.

(4) Press traffic will be refiled Collect when transferred to a commercial facility.

(5) Press traffic will be prepared and filed in the manner prescribed for the type of communications facility over which it is to be transmitted.

(6) The provisions of section 327, Communication Act of 1934, as amended (48 Stat. 1091; 47 U. S. C. 327) will be applicable to all press traffic and related service messages accepted for transmission via the Naval Communication Service.

§ 515.16 *Censorship.* Censorship in time of war or national emergency is a measure vital to the security of the people of the United States and to the military forces thereof. The following regulations will apply:

(a) All communications, by whatever means, will be subject to established censorship regulations. Material intended for publication may not be sent as personal mail but must be submitted for press censorship.

(b) In general, news material may be released for dissemination to the public provided it does not supply information of value to the enemy.

(c) News material prepared by correspondents after their return to the United States from a theater of operation which contains information that might be of value to the enemy, such as tactical doctrine, classified equipment, future plans, combat efficiency or state of training, etc., will be submitted for review to the Office of Public Information, Department of Defense, prior to publication.

§ 515.17 *Pictorial coverage.* Accredited news cameramen will be afforded every reasonable opportunity to photograph the activities of the Armed Forces but the Armed Forces are not responsible for the quantity or quality of their output. It is recognized that:

(a) Still and motion pictures are essential in keeping the public informed

of the war effort and in the official documentation of the war.

(b) News events must be photographed as they occur.

(c) Control should be exercised over the release of photographs rather than the taking of them. Photographers are expected, however, to refrain from taking pictures that violate security or hamper the Armed Forces or their allies in the discharge of military duties.

§ 515.18 *Still picture pools.* Military necessity, such as lack of space, transportation, or other facilities, or diverse and extensive military operations, may require that still picture photographic coverage of the activities of the Armed Forces of the United States be undertaken by recognized still picture photographic agencies in a pool operation. When pooling is required, all pictures taken by any representative of any participating agency will be distributed to all other agencies in the pool.

§ 515.19 *Exclusive still pictures.* At the discretion of the Department of Defense and the military department concerned, a special war correspondent photographer may be accredited to a theater of operation to undertake an exclusive assignment. All pictures secured by a temporarily accredited cameraman, other than those specified in advance, whether taken by himself or secured from another source, are subject to pooling if a pool is in operation.

§ 515.20 *Release dates.* Except under unusual circumstances, the Department of Defense will not establish release dates for still picture pool photographs. All pool photographs will be released simultaneously on a date established by, and agreeable to, the majority of pool members.

§ 515.21 *Still picture censorship, developing, and shipping.* All still pictures made in a theater of operation will be subject to current censorship directives. When laboratory facilities are available, photographs and accompanying captions will be censored prior to shipment or radio transmission from the theater. When laboratory facilities are not available, negatives, clearly marked as such, and captions to accompany them will be shipped through such Armed Forces or other channels as are specified by the theater commander concerned to accomplish transmittal to the United States in the shortest possible time. They will be directed to the Office of Public Information, Department of Defense, Washington 25, D. C. Photographs, after being developed and censored, will be delivered by the Department of Defense to the agency employing the photographer who made the picture. This agency will then make prints or copy negatives available to other pool companies if it is a pool photograph. The original negative is the property of the agency whose photographer made it. Negatives and prints not released by the censor will be held by the Department of Defense until releasable.

§ 515.22 *Copies of stills for Department of Defense.* Three prints of all photographs made by war correspondents in theaters of operations will be turned over, free of charge, to the Office of Public Information, Department of Defense, for its archives. The Department of Defense does not have the right to sell, reproduce, or distribute these pictures in any way without permission of the company owning the negative.

§ 515.23 *Theater newsreel or television news film pools.* Military necessity such as lack of space, transportation, or other facilities, or diverse and extensive military operations, may require that motion picture coverage of the activities of the Armed Forces of the United States be undertaken by recognized photographic agencies in a pool operation which will require that all film taken by any representative of any participating agency be distributed to all other agencies in the pool. When pooling is necessary, separate pools will be established for theater newsreel and television news film companies.

§ 515.24 *Exclusive motion pictures.* At the discretion of the Department of Defense and the military department concerned, a special war correspondent motion picture cameraman may be accredited to a theater of operation to undertake an exclusive assignment. All film secured by a temporarily accredited movie cameraman, other than that specified in advance, whether taken by himself or secured from another source, is subject to pooling if a pool is in operation.

§ 515.25 *Motion picture censorship, developing, and shipping.* All motion pictures made in a theater of operation will be subject to current censorship directives. Undeveloped motion picture negatives, clearly marked as such, will be shipped from the theater of operation through Armed Forces channels by fastest practicable means to the Office of Public Information, Department of Defense, Washington 25, D. C. Films will be developed at a laboratory specified by or acceptable to the Department of Defense. The Office of Public Information, Department of Defense, will determine the final release of classified as well as unclassified motion pictures so that there will be no censorship or delay at the source in forwarding the undeveloped negatives or in permitting motion pictures to be taken. After censorship, the negatives will be delivered to the company employing the photographer who made the pictures. This company will then make duplicating prints or negatives available to other pool members when such action is indicated. The original negative is the property of the agency whose photographers made it. Film not released by the censor will be held by the Department of Defense until releasable.

§ 515.26 *Duplicating copy for Department of Defense.* A duplicating print or negative will be furnished the Department of Defense by the theater newsreel or television news film company owning the negative. The Department of Defense does not have the right to sell, reproduce, or distribute these films in any way without permission of the company owning the negative.

[SEAL] WM. E. BERGIN,
Major General, U. S. A.,
The Adjutant General.

[F. R. Doc. 52-1; Filed, Jan. 2, 1952; 8:45 a. m.]

TITLE 32A—NATIONAL DEFENSE, APPENDIX

Chapter III—Office of Price Stabilization, Economic Stabilization Agency

[Ceiling Price Regulation 78, Amdt. 1 to Supplementary Regulation 2]

CPR 78—BASIC ALCOHOLIC BEVERAGE REGULATION

SR 2—DISTRIBUTORS OF IMPORTED AND DOMESTIC PACKAGED DISTILLED SPIRITS AND WINES

EXTENSION OF EFFECTIVE DATE

Pursuant to the Defense Production Act of 1950, as amended, Executive Order 10161 (15 F. R. 6105), and Economic Stabilization Agency General Order No. 2 (16 F. R. 738), this Amendment 1 to Supplementary Regulation 2 to Ceiling Price Regulation 78 is hereby issued.

STATEMENT OF CONSIDERATIONS

As originally issued Supplementary Regulation (SR) 2 to Ceiling Price Regulation (CPR) 78 was to become mandatorily effective on January 1, 1952, for all sellers of distilled spirits and wines covered by it. In addition, those sellers were required to have certain ceiling price reports prepared, on OPS Public Form Numbers 114 through 117, and placed in their files before January 15, 1952.

It has come to the attention of the Director of Price Stabilization, however, that it would be a burden to many of those sellers were they required to devote time to making and recording the ceiling price calculations required of them by SR 2 (which is a formula type regulation) during their busy holiday season and at the same time that they customarily take end of year inventory. This amendment, therefore, extends the mandatory effective date of SR 2 to February 1, 1952, and also specifies that the required ceiling price reports need not be in a seller's files until that date. (Since OPS Public Form Numbers 114 through 117 are now available there is no need to allow an additional 15 days after the mandatory effective date for their preparation and filing, as was originally provided in SR 2.) A seller still, of course, has the option of putting SR 2 into effect for any or all of his items before February 1, 1952, if he complies with the pertinent provisions of that supplementary regulation.

Before the issuance of this amendment consultation was had with various representatives of the industry and due consideration was given to their recommendations.

AMENDATORY PROVISIONS

Supplementary Regulation 2 to Ceiling Price Regulation 78 is amended by changing the date "January 1, 1952" to

"February 1, 1952" wherever it appears in that supplementary regulation (and in the examples contained therein), by changing the date "January 15, 1952" to "February 1, 1952" wherever it appears in that supplementary regulation, and by changing the date "December 31, 1951" to "January 31, 1952" wherever it appears in that supplementary regulation (and in the examples contained therein).

(Sec. 704, 64 Stat. 816, as amended; 50 U. S. C. App. Sup. 2154)

Effective date. This amendment is effective December 29, 1951.

EDWARD F. PHELPS, Jr.,
Acting Director of Price Stabilization.

DECEMBER 29, 1951.

[F. R. Doc. 51-15456; Filed, Dec. 29, 1951; 10:23 a. m.]

[General Ceiling Price Regulation, Amdt. 1 to Supplementary Regulation 68]

GCPR, SR 68—SUSPENSION FROM PRICE CONTROL OF UNTREATED EASTERN RAILROAD TIES

EXTENSION OF TIME OF SUSPENSION FROM PRICE CONTROL

Pursuant to the Defense Production Act of 1950, as amended, Executive Order 10161 (15 F. R. 6105) and Economic Stabilization Agency General Order No. 2 (16 F. R. 738), this Amendment 1 to Supplementary Regulation 68 to the General Ceiling Price Regulation is hereby issued.

STATEMENT OF CONSIDERATIONS

Supplementary Regulation 68 to the General Ceiling Price Regulation suspended, until January 1, 1952, sales and purchases of Eastern railroad ties from the coverage of the General Ceiling Price Regulation. When SR 68 was issued, it was contemplated that a tailored regulation covering Eastern railroad ties would be issued by the Office of Price Stabilization before its expiration date. The issuance of the tailored regulation, however, has been delayed. To eliminate the confusion that would result from the expiration of SR 68 before the issuance of a tailored regulation, this amendment to SR 68 extends its expiration date for 31 days.

AMENDATORY PROVISIONS

Section 2 of Supplementary Regulation 68 to the General Ceiling Price Regulation is amended by inserting the words "February 1, 1952" in place of the words "January 1, 1952", so that section 2 reads as follows:

SEC. 2. *Suspension for Eastern railroad ties.* During the period from the effective date of this regulation to the effective date of a specific ceiling price regulation for Eastern railroad ties, the provisions of the GCPR shall not apply to sales and purchases of Eastern railroad ties produced in that part of the United States east of the 100th meridian, except North Dakota and South Dakota, provided these ties are delivered during this period. However, if no specific ceiling price regulation for Eastern railroad ties becomes effective by February 1, 1952, then all sales and purchases of Eastern railroad ties shall on that date become subject to the provisions of the GCPR. During the period of suspension the record keeping requirements of the GCPR shall remain in effect.

(Sec. 704, 64 Stat. 816, as amended; 50 U. S. C. App. Sup. 2154)

Effective date. This Amendment 1 to Supplementary Regulation 68 of the General Ceiling Price Regulation shall become effective December 29, 1951.

EDWARD F. PHELPS, Jr.,
Acting Director of Price Stabilization.

DECEMBER 29, 1951.

[F. R. Doc. 51-15458; Filed, Dec. 29, 1951; 10:23 a. m.]

[General Ceiling Price Regulation, Amdt. 1 to Supplementary Regulation 72]

GCPR, SR 72—SUSPENSIONS FOR SALES OF CERTAIN UNITED STATES GOVERNMENT PROPERTY

EXTENSION OF SUSPENSION

Pursuant to the Defense Production Act of 1950, as amended, Executive Order 10161 (15 F. R. 6105), and Economic Stabilization Agency General Order No. 2 (16 F. R. 738), this Amendment 1 to Supplementary Regulation 72 to the General Ceiling Price Regulation is hereby issued.

STATEMENT OF CONSIDERATIONS

This Amendment 1 to Supplementary Regulation 72 to the General Ceiling Price Regulation extends until February 29, 1952, the temporary suspension from the General Ceiling Price Regulation of sales of certain United States Government Property.

Supplementary Regulation 72 to the General Ceiling Price Regulation was issued on October 4, 1951, in order to meet special problems surrounding the sale of certain United States Government property under the General Ceiling Price Regulation. At that time, it was stated that the Office of Price Stabilization is developing its program for sales of Government owned property and that, until such time as a more practicable method of establishing ceiling prices for sales now covered by the General Ceiling Price Regulation is provided, it is deemed necessary to suspend, temporarily, the provisions of that regulation with respect to certain sales.

Although discussions relating to a more practicable pricing method have been held with other Government agencies and progress has been made toward the issuance of such a regulation, it appears that the program cannot be completed by December 31, 1951, the present date of expiration of the suspension. If the expiration date is not extended, sales and deliveries which are presently suspended by Supplementary Regulation 72 would immediately become subject to the General Ceiling Price Regulation, with the result that other Government agencies would encounter again the same problems described at the time the regulation was issued. For these reasons, it has been decided to extend the expiration date of this suspension until February 29, 1952, by which time it is expected that a more permanent stabilization program for Government sales will be completed and put into effect.

Before the issuance of this amendment, representatives of various Government agencies were consulted and due consideration was given to their recommendations.

AMENDATORY PROVISIONS

Section 1 (a) of Supplementary Regulation 72 to the General Ceiling Price Regulation is amended by changing the date "December 31, 1951" to "February 29, 1952."

(Sec. 704, 64 Stat. 816, as amended; 50 U. S. C. App. Sup. 2154)

Effective date. This amendment shall become effective December 31, 1951.

EDWARD F. PHELPS, Jr.,
Acting Director of Price Stabilization.

DECEMBER 29, 1951.

[F. R. Doc. 51-15455; Filed, Dec. 29, 1951; 10:23 a. m.]

[General Ceiling Price Regulation, Amdt. 1 to Supplementary Regulation 55]

SR-55—SUSPENSION OF SAWMILL LOGS PRODUCED IN ALASKA

REMOVAL OF RESTRICTION ON APPLICABILITY AFTER DECEMBER 31, 1951

Pursuant to the Defense Production Act of 1950, as amended (Pub. Law 774, 81st Cong., Pub. Law 96, 82d Cong.), Executive Order 10161 (15 F. R. 6105), and Economic Stabilization Agency General Order No. 2 (16 F. R. 733), this Amendment 1 to Supplementary Regulation 55 to the General Ceiling Price Regulation is hereby issued.

STATEMENT OF CONSIDERATIONS

This amendment to Supplementary Regulation 55 extends for a 90-day period the exemption of sawmill logs established by SR-55 to the GCPR. SR-55 to the GCPR exempts from the provisions of the GCPR, until December 31, 1951, the sale and purchase in Alaska of sawmill logs produced and used in Alaska. The Statement of Considerations to SR-55 states: "* * * it is also contemplated that the Director of Price Stabilization will issue a tailored regulation covering Alaskan sawmill logs before the beginning of the 1952 logging season." The OPS, however, is not yet ready to take final action in this matter.

If sawmill logs are allowed to revert to the control of the GCPR, before such final action is taken, which would be the case if SR-55 is not amended, a chaotic condition would be created in the industry. New contracts have been entered into by the sawmills and loggers and are based upon prices in effect under this exemption and, therefore, somewhat above the GCPR level.

Because of the emergency nature of this action and because it extends relief already granted, the Director of Price Stabilization has not conferred with the industry. In the opinion of the Director, however, this amendment is necessary to effectuate the purposes of the Defense Production Act of 1950, as amended.

AMENDATORY PROVISIONS

1. The effective date provision of SR–55 to the General Ceiling Price Regulation is amended as follows: Delete so much of the section as reads "to December 31, 1951," and substitute therefor "March 31, 1952," so that the effective date provision as amended reads as follows:

Effective date. This supplementary regulation shall be effective from August 30, 1951, to March 31, 1952.

(Sec. 704, 64 Stat. 816, as amended; 50 U. S. C. App. Sup. 2154)

Effective date. This Amendment 1 to Supplementary Regulation 55 to the General Ceiling Price Regulation is effective December 29, 1951.

EDWARD F. PHELPS, Jr.,
Acting Director of Price Stabilization.

DECEMBER 29, 1951.

[F. R. Doc. 51–15480; Filed, Dec. 29, 1951; 4:39 p. m.]

[General Ceiling Price Regulation, Collation 2]

GENERAL CEILING PRICE REGULATION

COLL. 2—INCLUDING AMENDMENTS 1–27

The General Ceiling Price Regulation is republished to incorporate the text of Amendments 1 through 27. The General Ceiling Price Regulation was issued January 26, 1951 (16 F. R. 808). Statements of Consideration for the General Ceiling Price Regulation, and for Amendments 1–27, inclusive, as previously published, are applicable to this republication. The effective dates of the amendments are shown in a note preceding the first section of the regulation.

Sec.

AUTHORITY: Sections 1 to 22 issued under sec. 704, 64 Stat. 816, as amended; 50 U. S. C. App. Sup. 2154. Interpret or apply Title IV, 64 Stat. 803, as amended; 50 U. S. C. App. Sup. 2101–2110, E. O. 10161, Sept. 9, 1950, 15 F. R. 6105; 3 CFR, 1950 Supp.

DERIVATION: Sections 1–22 contained in the General Ceiling Price Regulation, January 26, 1951 (16 F. R. 808), except as otherwise noted in brackets following text affected.

EFFECTIVE DATES: Amendment 1, February 11, 1951, 16 F. R. 1503.
Amendment 2, February 28, 1951, 16 F. R. 1789.
Amendment 3, February 23, 1951, 16 F. R. 1791.
Amendment 4, February 27, 1951, 16 F. R. 1949.
Amendment 5, February 28, 1951, 16 F. R. 1994.
Amendment 6, March 19, 1951, 16 F. R. 2546.
Amendment 7, March 20, 1951, 16 F. R. 2546.
Amendment 8, March 27, 1951, 16 F. R. 2681.
Amendment 9, April 9, 1951, 16 F. R. 2907.
Amendment 10, May 16, 1951, 16 F. R. 4454.
Amendment 11, May 22, 1951, 16 F. R. 4697.
Amendment 12, June 5, 1951, 16 F. R. 5118.
Amendment 13, May 28, 1951, 16 F. R. 5051.
Amendment 14, May 31, 1951, 16 F. R. 5119.
Amendment 15, June 20, 1951, 16 F. R. 5767.
Amendment 16, July 13, 1951, 16 F. R. 6663.
Amendment 17, July 17, 1951, 16 F. R. 6774.
Amendment 18, September 5, 1951, 16 F. R. 8888.
Amendment 19, October 13, 1951, 16 F. R. 10310.
Amendment 20, October 15, 1951, 16 F. R. 10384.
Amendment 21, October 27, 1951, 16 F. R. 10780.
Amendment 22, October 19, 1951, 16 F. R. 10781, 11770.
Amendment 23, November 1, 1951, 16 F. R. 11178.
Amendment 24, November 26, 1951, 16 F. R. 11812.
Amendment 25, December 19, 1951, 16 F. R. 12787.
Amendment 26, December 26, 1951, 16 F. R. 12819.
Amendment 27, December 31, 1951.

SECTION 1. *What this regulation does.* The purpose of this regulation is to establish ceiling prices for all commodities and services (except those specifically exempt) upon the basis of prices in effect during the period from December 19, 1950 to January 25, 1951, inclusive. This period is referred to as the "base period." With respect to those food, agricultural and related commodities exempt under the provisions of section 14 (s), however, the applicable "base period" used after removal of the exemption to establish the ceiling price under section 3 of this regulation shall be the most recent five-week period preceding the date the Director of Price Stabilization deletes the commodity from the list of agricultural commodities in Section 11 (a).

[Section 1 amended by Amdts. 7 and 13]

SEC. 2. *Applicability, effective date and prohibitions.* — (a) *Applicability.* The provisions of this regulation are applicable to the United States, its Territories and possessions, and the District of Columbia.

(b) *Effective date.* This regulation is effective immediately.

(c) *Prohibitions.* After the date of this order, regardless of any contract or other obligation, you shall not sell, and you shall not buy in the regular course of business or trade, any commodity or service at a price exceeding the ceiling price established by this regulation.

SEC. 3. *General ceiling prices*—(a) *Ceiling prices for all sellers for commodities or services sold in base period.* Your ceiling price for sale of a commodity or service is the highest price at which you delivered it during the base period to a purchaser of the same class. If you did not deliver the commodity or service during the base period, your ceiling price is the highest price at which you offered it for base period delivery to a purchaser of the same class. The offer must have been made in writing and communicated to a substantial number of customers, but in the case of a retailer may have been made by display. If you are a manufacturer or a wholesaler, you cannot, unless permitted by paragraph (b) of this section, use a price as your ceiling price to a class of purchaser unless you made at least 10 percent by dollar volume of your total deliveries of the commodity during the base period to that class of purchaser at that price or at a higher price.

[Paragraph (a) amended by Amdt. 25]

(b) *General increase by manufacturers and wholesalers.* If you are a manufacturer or wholesaler of a commodity, you may apply the following provisions in determining your ceiling prices.

(1) *General increases to all of a class of purchasers.* If, before or during the base period, you announced in writing and put into effect a price increase for a class of purchasers by making some deliveries to that class at the higher price and no deliveries at a lower price (except pursuant to written firm commitments made before the price increase), the increased price becomes your ceiling price for that class of purchaser, even though less than 10 percent of your base period deliveries to that class were made at the higher price.

(2) *General increases to several classes of purchasers.* If, before or during the base period, you announced in writing, and communicated to the trade or a substantial number of customers in your customary way, a general increase of prices for base period delivery to more than one class of purchasers and if you made deliveries which, under the preceding paragraphs of this section, established the increased price or prices as the ceilings to all purchasers of one or more classes and if you made no deliveries to the other classes (except pursuant to written firm commitments made before the price increase), then the announced increased prices are your ceiling prices for all classes of purchasers for whom increases were announced.

(3) *General increases or general increases and decreases on several items.* If, before or during the base period, you announced in writing price increases or price increases and decreases on a list of commodities, and if,

(i) You made deliveries which, under the preceding paragraphs of this section, established the increased price or prices as the ceilings to all classes of purchasers of one or more of the commodities covered by the price list, or

(ii) After the effective date of the announcement and before January 26, 1951, you made deliveries of one or more of the commodities on the list at the decreased price or prices and none of the commodities on which price decreases were announced were delivered at higher prices (except pursuant to written firm commitments made before the price decreases were announced),

and if the commodities, if any, which you delivered as provided in (i) above, together with the commodities, if any, which you delivered as provided in (ii) above, accounted during the year 1950 for at least 30 percent of your dollar sales of the commodities covered by the price list, then the price list prices are your ceiling prices for all the items on the list.

[Subparagraph (3) amended by Amdt. 25]

[Section 3 amended by Amdts. 2 and 5.]

NOTE: Ceiling prices revised by Amdts. 2 or 5 became effective March 7, 1951.

SEC. 4. *Manufacturers' ceiling prices for new commodities falling within categories dealt in during the base period.* (a) If you are a manufacturer of a commodity which you did not deliver or offer for delivery during the base period but which falls within a "category" in which you dealt during the base period, determine your ceiling price by applying to your current unit direct cost the percentage markup you are currently receiving on a "comparison commodity."

Your current unit direct cost for the commodity being priced and for the comparison commodity shall consist of the total unit direct labor and direct material cost for each. The comparison commodity must be in the same category as the commodity being priced; must be a commodity for which your ceiling price was determined under section 3; and must be of the commodities in that category with lower current unit direct costs, the one most nearly like the commodity being priced. If there is no commodity in the category having a lower current unit direct cost, your comparison commodity is the one with the same or higher current unit direct cost which is most nearly like the commodity being priced. If you are no longer manufacturing any commodities which meet the above standards for a comparison commodity, the commodity which you dealt in during the base period, in the same category, which is most nearly like the commodity being priced, is your comparison commodity, but the current unit direct cost of the base period commodity must be computed by using current material prices and wage rates.

(b) To determine your ceiling price you ascertain the percentage markup for the comparison commodity by comparing its current unit direct cost with its ceiling price. You determine your ceiling price on the new commodity by applying this markup to your current unit direct cost for the new commodity. The ceiling price so determined remains your ceiling price on all subsequent sales, except as provided in section 11 of this regulation.

[Paragraph (b) amended by Amdt. 20]

(c) Category means a group of commodities which are normally classed together in your industry for purposes of production, accounting, or sales. You are required by section 16 of this regulation to prepare a list of your categories and in applying the pricing provisions of this section, you should refer to this list. You might, for example, have a category such as one of the following: glass containers; fractional horsepower motors; brass mill products; millwork; print cloth yarn fabrics; screw machine products; ball bearings; textile machinery; women's and misses' blouses; house and barn paints; motor oils.

SEC. 5. *Wholesalers' and retailers' ceiling prices for new commodities falling within categories dealt in during base period.* (a) If you are a wholesaler or retailer and wish to determine a ceiling price for a commodity which you did not deliver or offer for delivery during the base period, but which falls within a "category" in which you dealt during the base period, you determine your ceiling price by applying to your net invoice cost the percentage markup you are currently receiving on a "comparison commodity."

The comparison commodity must be in the same category as the commodity being priced; must be a commodity for which your ceiling price was determined under section 3; and must be, of the commodities in that category with lower costs, the one most nearly like the commodity being priced. If you have no commodity in the category with a cost below that of the commodity being priced, your comparison commodity is the one with the same or higher cost which is most nearly like the commodity being priced.) The percentage markup of the comparison commodity must be determined with reference to your most recent net invoice cost for that commodity. The ceiling price so determined remains your ceiling price for all subsequent sales of that commodity, except as provided in section 11 of this regulation.

[Paragraph (a) amended by Amdt. 20]

(b) Category means a line of merchandise, a merchandise department, or a group of commodities which are normally classed together in your trade for selling, buying, merchandising or accounting. You are required by section 16 of this regulation to prepare a list of your categories and in applying the pricing provisions of this section you should refer to this list. You might, for example, have a category such as one of the following: men's clothing; men's furnishings; infants' wear; canned fruits; cosmetics and toiletries; frozen foods; notions; musical instruments; women's coats and suits; cotton piece goods; major household appliances; women's house dresses; office furniture; hand tools.

SEC. 6. *Ceiling prices for commodities in new categories; for new services; and for new sellers.* (a) If you are a manufacturer and are pricing a commodity which is in a different category from any dealt in by you during the base period, your ceiling price is the same as the ceiling price of your most closely competitive seller of the same class selling the same commodity or, lacking the same, a substantially similar commodity to the same class of purchaser.

If you are a wholesaler or retailer and are pricing a commodity which is in a different category from any dealt in by you during the base period, or if you are selling a service which cannot be priced under section 3 of this regulation, your ceiling price is the same as the ceiling price of your most closely competitive seller of the same class selling the same commodity or service to the same class of purchaser.

Once you have determined your ceiling prices under this section you may not redetermine them, except as provided in sections 11 and 20 of this regulation. Before selling any commodity or service for which you have determined a ceiling price under this section you must file the report required by paragraph (b) with the Director of Price Stabilization, Washington 25, D. C., and, in addition, you must observe the following requirements:

[Introductory Paragraphs of Section 6 (a) amended by Amdts. 20, 23 and 24]

(1) *If you are a manufacturer,* you may not sell the commodity until ten days after mailing your report; thereafter you may sell the commodity at your proposed ceiling price unless and until notified by the Director of Price Stabilization that your proposed ceiling price has been disapproved or that more information is required.

(2) *If you are a wholesaler,* you may not sell the commodity until thirty days after mailing the report; thereafter you may sell the commodity at your proposed ceiling prices unless and until you are notified by the Director of Price Stabilization that your proposed ceiling price has been disapproved or that more information is required.

(3) *If you are a retailer or are selling a service,* you must prepare and maintain for the commodities or services being priced under this section the records required of you under section 16. You may begin sales of the new commodities and services as soon as you have prepared these records and mailed the required report to the Director of Price Stabilization, Washington 25, D. C., and may continue to sell them unless and until notified by the Director of Price Stabilization that your ceiling prices have been disapproved or that more information is required. If, as a retailer, you feel that because of the large number of new commodities which you propose to sell, an item by item

price comparison would be too burdensome, you may apply to the Director of Price Stabilization for an alternative method of establishing ceiling prices. Your application should contain the information required in paragraph (b) together with a complete statement of the formula proposed and your reasons demonstrating that it will result, on the average, in ceiling prices no higher than those of your most closely competitive sellers. In such a case you may not begin sales of any commodity with reference to which the application has been made until the Director of Price Stabilization has fixed a method for establishing your ceiling prices.

(b) *Required report if you are pricing under this section.* Your report should state the name and address of your company; the new categories in which the commodities fall and the most comparable categories dealt in by you during the base period; the name, address and type of business of your most closely competitive seller of the same class; a description of the commodity he sells and the differences, if any, in specifications of his commodity from the one you are pricing; your reasons for selecting him as your most closely competitive seller; a statement of your customary price differentials; and, if you are starting a new business, a statement whether you or the principal owner of your business are now or during the past twelve months have been engaged in any capacity in the same or a similar business at any other establishment, and if so, the trade name and address of each such establishment. Your report should also include the following:

[Paragraph (b) amended by Amdt. 4]

(1) *If you are a manufacturer:* Your proposed ceiling price and the specifications of the commodity you are pricing; the manufacturing processes involved; your unit direct costs; and the types of customers to whom you will be selling.

(2) *If you are a wholesaler:* Your proposed ceiling price and your net invoice cost of the commodity being priced; the names and addresses of your sources of supply, the function performed by them (e. g., manufacturing, distributing, etc.), and the types of purchasers to whom they customarily sell; the types of customers to whom you plan to sell; and a statement showing that your proposed ceiling price will not exceed the ceiling price your customers paid to their customary sources of supply.

(3) *If you are selling a service:* Your proposed ceiling price and a description of the most comparable service delivered by you during the base period showing your present direct labor and materials costs and ceiling price for it.

SEC. 7. *Sellers who cannot price under other sections.* If you claim that you are unable to determine your ceiling price for a commodity or service under any of the foregoing provisions of this regulation (which, in the opinion of the Director of Price Stabilization, provides adequate pricing instructions for virtually all transactions), you may apply in writing to the Director of Price Stabilization, Washington, 25, D. C., for the establishment of a ceiling price. This application shall contain an explanation of why you are unable to determine your ceiling price under any other provision of this regulation; all pertinent information describing the commodity or service, and the nature of your business; your proposed ceiling price and the method used by you to determine it; and the reason you believe the proposed price is in line with the level of ceiling prices otherwise established by this regulation. You may not sell the commodity or service until the Director of Price Stabilization, in writing, notifies you of your ceiling price.

SEC. 8. *Modification of proposed ceiling prices by Director of Price Stabilization.* The Director of Price Stabilization may at any time disapprove or revise ceiling prices reported or proposed under this regulation so as to bring them into line with the level of ceiling prices otherwise established by this regulation.

SEC. 9. *Customary price differentials.* Your ceiling prices, when determined, shall reflect your customary price differentials, including discounts, allowances, premiums and extras, based upon differences in classes or location of purchasers, or in terms and conditions of sale or delivery.

SEC. 10. *Exporters and importers*—(a) *Exporters.* Sales by persons exporting commodities from the United States (or its territories and possessions) are subject to the provisions of this regulation. If the ceiling price is determined by the seller for domestic purchasers, it may be adjusted pursuant to section 9 to take account of the seller's customary differentials for export sales.

(b) *Importers.* Sales made within the territorial jurisdiction of the United States, its territories and possessions, of commodities imported by the sellers from other countries are subject to the provisions of this regulation.

(c) *Special provision for importers with existing purchase commitments.* (1) If you resell a commodity which you import in substantially the same form (except for services normally performed by importers such as sorting or packaging), or sell that commodity after simple processing operations by you, such as wool scouring or coffee roasting, you may adjust a ceiling price determined under section 3 for any such commodity which is delivered to you pursuant to a contract dated on or before January 26, 1951, to offset an increase in landed cost since the base period. The amount of the permitted increase is the dollar and cents amount by which your current landed cost per unit exceeds your highest base period landed cost for the commodity.

(2) If you are adjusting your ceiling prices under this section for any of the commodities listed below, you must within ten days after your first sale at the new price, file with the Director of Price Stabilization, Washington 25, D. C., a report showing your base period price, current foreign invoice price and total landed costs of commodities repriced. This paragraph applies to importers of the following kinds of commodities: Non-ferrous metals; ferro-alloys; minerals; raw agricultural products; textile fibres and fabrics; chemicals; metal scrap, crude and semi-finished steel; lumber and pulp.

(3) The landed cost means the foreign invoice price plus the following expenses actually incurred: (i) transportation costs; (ii) customs duties or import taxes; (iii) other commodity taxes; (iv) dock charges; (v) clearance; (vi) insurance; (vii) letter of credit expenses; and (viii) any customary buying commission to a purchasing agent outside the continental United States.

SEC. 11. *"Parity" adjustments in ceiling prices*—(a) *Commodities covered by this section.* This section applies to the following listed agricultural commodities, to the following listed commodities produced in the territories and possessions of the United States, and to products processed from any one or more of them.

[Paragraph (a) amended by Amdt. 20]

Listed Commodities

- Field crops:
  - Barley
  - Beans, dry edible
  - Buckwheat
  - Corn
  - Flaxseed
  - Hay
  - Oats
  - Peanuts
  - Peas, dry field
  - Rye
  - Sorghums for grain
  - Wheat
- Livestock and Livestock products:
  - Butterfat
  - Chickens
  - Eggs
  - Milk, wholesale
  - Turkeys
  - Beeswax
- Sugar crops:
  - Maple sirup
  - Maple sugar
  - Sorghum sirup
  - Sugar beets
  - Sugarcane sirup
  - Sugarcane
- Fruits:
  - Apples
    - For fresh consumption
    - For canning
    - For drying
  - Apricots
    - For fresh consumption
    - For canning
    - Dried
  - Avocados
  - Blackberries
  - Boysenberries
  - Cherries
    - Sweet
    - Sour
  - Cranberries
  - Dates
  - Figs
    - For fresh consumption
    - For canning
  - Grapefruit
  - Grapes, excluding raisins dried
  - Lemons
  - Limes
  - Loganberries
  - Olives
    - For canning
    - Crushed for oil
  - Oranges and tangerines
  - Peaches
    - For fresh consumption
    - For canning
      - Clingstone
      - Freestone
    - Dried

Fruits—Continued
Pears
For fresh consumption
For canning
Dried
Pineapples, Florida
Plums
For fresh consumption
For canning
Raspberries, black
Raspberries, red
Strawberries
For fresh consumption
Youngsberries
Tree-nuts:
Almonds
Filberts
Pecans
Walnuts
Tobacco:
Flue-cured, types 11, 14
Burley, type 31
Cigar filler and binder, types 42–44, 46, 51–55
Cigar wrapper, type 61
Cigar wrapper, type 62
Dark air-cured, types 35–36
Fire cured, types 21–24
Maryland, type 32
Pa. seedleaf, type 41
Sun cured, type 37
Vegetables:
Artichokes
Asparagus
For fresh consumption
Beans, Lima
Beans, Snap
Beets
Cabbage
Cantaloupe
Carrots
Cauliflower
Celery
Corn, sweet
Cucumbers
For fresh consumption
Eggplant
Garlic
Kale
Lettuce
Onions
Peas, green
Peppers, green
Pimientos
Shallots
Spinach
Tomatoes
Watermelon
Potatoes
Sweet Potatoes
Miscellaneous:
Popcorn
Honey
Hops
Peppermint oil
Spearmint oil
Tung nuts

(b) *Processors and Manufacturers.* This section applies to you only if:

(1) You sell a product which you process from one or more of the listed commodities (or from a product processed from them), and you are not, as to that processing operation, a manufacturer covered by the Manufacturers' General Ceiling Price Regulation (Ceiling Price Regulation 22), and

(2) The cost to you of a current customary purchase of the listed commodity (or the product processed therefrom) exceeds the highest price you incurred or paid during the base period. In such case you may increase the ceiling price, as determined under section 3 of this regulation, for your product by the dollar-and-cent difference per unit between the highest price incurred or paid by you for a customary purchase during the base period and the cost to you of the most recent customary purchase. (If the ceiling price was determined under either section 4, 6, or 7 of this regulation, you figure your increase under paragraph (d) (2) below).

If you have previously increased the ceiling price for your product, you may increase your present ceiling price for the product by the dollar-and-cent difference per unit between the price upon which your last previous increase was based and the cost to you of the most recent customary purchase.

Example: You are a processor of evaporated milk, a product processed from a listed commodity.

The highest price paid by you for a customary purchase of manufacturing milk in the base period was $3.80 per cwt. The cost to you of the most recent purchase is $4.00 per cwt.—a difference of 20 cents or 2/10 cent per lb.

If you use 94 lbs. of milk to produce a case of evaporated milk, you are entitled to increase your maximum price per case by 18.8 cents per case (94 x 2/10 cent).

If, subsequent to this adjustment, the price you pay for a customary purchase of manufacturing milk should increase to $4.10—a further increase of $0.10 per cwt. or 1/10 cent per lb.—you may add an additional 9.4 cents to your maximum price per case (94 x 1/10 cent).

(3) (i) If (1) you are a producer-processor, and (2) you cannot otherwise determine your ceiling price under subsection (b) (2) above because you do not customarily purchase any amount of a listed commodity from independent producers wholly unaffiliated with you, you may, for purposes of subsection (b) (2), use as your costs the prices (with adjustment for difference in delivery costs) paid for a customary purchase by your nearest competitor. Such competitor must be one who receives delivery of the same quality of the commodity as you do, in the same quantities (baskets, tons, carloads, etc.), at firm prices for processing.

(ii) If (1) you are a processor who purchases the listed commodity under "open" price or deferred payment contracts, which relate the price you pay the producer to facts unknown both at the time the raw commodity is delivered to you, and at the time of sale of the processed product, and (2) you cannot otherwise determine your ceiling price under subsection (b) (2) above because you do not customarily purchase any amount of a listed commodity at prices finally determined at the time of sale, you may, for purposes of subsection (b) (2), use as your costs the prices (with adjustment for differences in delivery costs) paid for a customary purchase by your nearest competitor. Such competitor must be one who receives delivery of the same quality of the commodity as you do, in the same quantities (bushels, tons, carloads, etc.), at firm prices for processing.

(iii) If (1) you are a producer-owned cooperative processor, and (2) you cannot otherwise determine your ceiling price under subsection (b) (2) above because you do not customarily purchase any amount of a listed commodity from independent producers wholly unaffiliated with you, you may increase your ceiling price (as determined under the other sections of this regulation) for products processed from such commodities if the entire dollar-and-cent increase in total gross sales revenue derived from that increase in your ceiling price is passed back to producers within 30 days after the end of each normal accounting period. The amount so passed back must be in addition to the full amount you would normally have passed back to producers had you sold the processed product at the ceiling price determined under the other sections of this regulation.

(c) *Distributors.* This section applies to you only if:

(1) You buy and resell in substantially the same form one or more of the listed commodities or a product processed from them, and

(2) The cost to you of a current customary purchase of that commodity or product exceeds the highest price you incurred or paid for it during the base period.

In such case you may increase your ceiling price, as determined under section 3 of this regulation, for the commodity or product by the dollar-and-cent difference per unit between the highest price incurred or paid by you for a customary purchase during the base period and the cost to you of the most recent customary purchase. (If your ceiling price was determined under either section 5, 6 or 7 of this regulation, you figure your increase under paragraph (d) (2) below.)

If you have previously increased your ceiling price for the commodity or product, you may increase your present ceiling price for that commodity or product by the dollar-and-cent difference per unit between the price upon which your last previous increase was based and the cost to you of the most recent customary purchase.

(d) *Method for computing "parity" adjustments where no customary purchase was made during the base period or where a ceiling price was determined under sections 4, 5, 6 or 7.* (1) If you cannot figure your increase under paragraphs (b) and (c) above because you made no customary purchase during the base period, then the highest price you paid or incurred during the most recent five-week period prior to the base period in which you made a customary purchase shall be your highest price within the meaning of section 11 (b) (2) and 11 (c) (2).

(2) If your ceiling price was determined under either section 4, 5, 6 or 7, then the highest price you paid or incurred during the most recent five-week period prior to the "date of calculation" (as defined below) of your ceiling price in which you made a customary purchase shall be your highest price within the meaning of section 11 (b) (2) and 11 (c) (2).

If your ceiling price was determined under section 6 or section 7, and you made no customary purchase prior to the "date of calculation", the price you paid or incurred for your first customary purchase made between the "date of calculation" and the date you first offered your product for immediate delivery

shall be your highest price within the meaning of section 11 (b) (2) and 11 (c) (2).

If your ceiling price is determined under either section 4 or 5, the "date of calculation" of your ceiling price is the date upon which you first offer the commodity or product for delivery. If your ceiling price is determined under either section 6 or 7, the "date of calculation" of your ceiling price is the date upon which you mail the report or application provided for in those sections.

(e) *Method for Computing "Parity" Adjustments Where Prices Have Been Based Customarily on Commodity Exchange Quotations.* In case any of the above listed commodities or products processed from them are traded regularly upon a recognized commodity exchange that maintains daily records of transactions or quotations, and if it has been both your own practice and the general practice of your industry to figure selling prices on the basis of commodity exchange quotations, the increase per unit you are entitled to add under subsections (b) and (c) shall be the difference in dollars and cents between (1) the quotation upon which your ceiling price under this regulation was based, and (2) the comparable current quotation.

(f) *Notice of "Parity" Adjustment Increases.* (1) If you are a processor or a manufacturer to whom the provisions of Section 11 (b) (2) are applicable, you may not increase your ceiling price for such commodity until you first notify the Director of Price Stabilization, Washington 25, D. C., by registered mail giving the following information:

(i) Your existing ceiling price and the description of the commodity;

(ii) The highest price you paid or incurred for a customary purchase (or, if applicable, the commodity exchange quotation) of the commodity during the base period or during the periods provided for in subparagraph (d) above; or, if you have previously increased your price, then the price upon which you based your existing ceiling price;

(iii) The new cost or new commodity exchange quotation, whichever is applicable;

(iv) The increased ceiling price.

In the case of increased cost of ingredients, furnish the figures substantiating the conversion of your increase in cost to the increase in the ceiling price of the commodity.

(2) If you are either a producer-processor pricing under Section 11 (b) (3) (i), or a processor operating under "open" price or deferred payment contracts and pricing under Section 11 (b) (3) (ii), you may not increase your ceiling price for such commodity until you first notify the Director of Price Stabilization, Washington 25, D. C., by registered mail giving the following information:

(i) The name and address of your nearest competitor selected pursuant to Section 11 (b) (3) (i) or Section 11 (b) (3) (ii);

(ii) The highest price paid for the listed commodity in the base period by your nearest competitor, or his ceiling price (determined before application of this Section 11), or your dollar-and-cent per unit margin in the base period (determined by taking your ceiling price, as determined under this regulation before application of Section 11, and subtracting from it the highest per unit price paid by your nearest competitor for a customary purchase in the base period).

(iii) The current price paid for a customary purchase of the listed commodity by your nearest competitor.

(iv) Your ceiling price, as determined under this regulation, before application of this Section 11.

(v) The increased ceiling price.

In the case of increased cost of ingredients, furnish the figures substantiating the conversion of your increase in cost to the increase in the ceiling price.

(3) If you are a cooperative-processor pricing under Section 11 (b) (3) (iii), you may increase your ceiling price without first giving any notice, but must, within 30 days after the end of each normal accounting period during which you increased your ceiling price, notify the Director of Price Stabilization, Washington 25, D. C., by registered mail giving the following information:

(i) The amount retained by you per unit of the processed commodity sold in the last normal accounting period before February 1, 1951.

(ii) The amount passed back to producers per unit of the processed commodity sold in the last normal accounting period before February 1, 1951.

(iii) The amount retained by you per unit of the processed commodity sold in the most recent normal accounting period.

(iv) The amount passed back to producers per unit of the processed commodity sold in the most recent normal accounting period.

(g) *Effect of Notification of "Parity" Adjustment.* Upon mailing the notification required in paragraph (f) above, you may charge the new ceiling price. If, in the judgment of the Director of Price Stabilization, the increase is deemed unreasonable, excessive or otherwise improper, he may disapprove the price and restore the old ceiling price or establish a new ceiling price and may apply it retroactively.

(h) *Effect of removal from list of commodities.* This section shall cease to apply to a listed agricultural commodity if, after consultation with the Secretary of Agriculture, the Director of Price Stabilization determines that the requirements of the Defense Production Act of 1950, as amended, are satisfied as to such commodity, and, at such time, this section shall also cease to apply to the same listed commodity produced in the territories and possessions of the United States. The ceiling price for the seller of any product processed from any such commodity shall thereafter be determined under the provisions of this regulation, except that, if such ceiling price is determined under section 3, the "base period" shall be the most recent five-week period preceding the date the Director of Price Stabilization deletes the commodity from the list. Such ceiling prices shall become effective on the date determined by the Director.

Notwithstanding anything contained in this subparagraph (h) to the contrary, the ceiling price for fluid milk, which is sold and bought pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended, or any marketing agreement, license or order, or provision thereof or amendment thereto, shall be no less than the price determined pursuant to that Act, and, for purposes of such sales and purchases only, fluid milk shall be deemed to remain on the list of commodities.

(i) *Goat's milk.* Processors and distributors of goat's milk or of products processed from goat's milk may adjust their ceiling prices for these commodities in accordance with section 11 (a) through (g) as if goat's milk were a listed commodity. This permission to adjust ceiling prices may be withdrawn by the Director of Price Stabilization at any time.

[Section 11 amended by Amdts. 1, 7, 10, 13, 14, 15, 17, 20 and 27]

SEC. 12. *Group of retail sellers under common control.* A group of retail sellers under common ownership or control which had an established practice of centrally determining uniform prices during the base period for some or all of their categories of commodities or services, may treat the entire group of retail sellers as one seller for the purpose of (a) computing ceiling prices for the commodities or services for which this practice existed and (b) complying with the record-keeping, reporting and filing provisions of this regulation.

The ceiling prices shall be the uniform centrally determined prices. Records shall be centrally kept, listing the names and addresses of all retail sellers of this group. If a group of retail sellers determines ceiling prices under this section, each retail outlet which is a member of the group must continue to abide by the ceiling prices under this section. The permission granted by this section may be withdrawn by the Director of Price Stabilization from any group of retail sellers upon consideration of the price records maintained by such group and such reports as he may require.

SEC. 13. *Highest price line limitation for manufacturers of wearing apparel and consumer durable goods*—(a) *Manufacturers with base period sales.* If you manufacture certain wearing apparel or consumer durable goods falling within a list of categories which will be issued shortly you may not, after the effective date prescribed in the supplementary order, sell a comodity in any such category at a price higher than your ceiling price determined under section 3 for a commodity in that category.

Example: Your base period ceiling prices for women's rayon dresses were $5.75, $6.75 and $8.75. You will not be permitted to sell any women's dresses at a price in excess of $8.75.

(b) *Manufacturers without base period sales.* If you did not deliver during the base period, or offer in writing for delivery during the base period, any commodity in a particular category listed, you must apply to the Director of Price Stabilization, Washington 25,

D. C., for a highest price line limitation for the category which you wish to sell.

SEC. 14. *Exemptions and exceptions.* This regulation does not apply to the following:

(a) Prices or rentals for real property;

(b) Rates or fees charged for professional services;

(c) Prices or rentals for:

(1) Materials furnished for publication by any press association or feature service;

(2) Books, magazines, motion pictures, periodicals, or newspapers, other than as waste or scrap;

(d) Rates charged by any person in the business of operating or publishing a newspaper, periodical, or magazine, or operating a radio-broadcasting or television station, a motion picture or other theatre enterprise, or outdoor advertising facilities;

(e) Rates charged by any person in the business of selling or underwriting insurance;

(f) Rates charged by any common carrier or other public utility;

(g) Margin requirements on any commodity exchange;

(h) Sales of bonds, stocks, and other evidences of indebtedness representing monetary obligations only;

[Paragraph (h) amended by Amdt. 4]

(i) Sales of stamps and coins, precious stones, paintings, other objects of art, and commodities made prior to 1850;

(j) Sales of used personal or household effects by a private owner;

(k) Sales and deliveries at a bona fide auction of used household or personal effects, except that this exception shall not apply to any sale at auction conducted in, by, or for a retail or wholesale establishment regularly engaged in the business of selling such commodities other than by auction.

(l) Indian and Eskimo handicraft objects which are produced by the manual skill of American Indians, Alaskan Indians or Eskimos.

(m) Sales and deliveries of damaged commodities by insurance companies, transportation companies, or agents of the United States Government or by any other person engaged in reconditioning and selling damaged commodities received, in direct connection with the adjustment of losses, from insurance companies, transportation companies, or agents of the United States Government: *Provided,* That such person is engaged principally and primarily in such business and is not engaged in selling new or second-hand commodities for his own account.

(n) Sales or deliveries of commodities made or produced by the seller at his home, solely for his own account, without the assistance of hired employees, if the total of such sales or deliveries does not exceed $1,000 in any one calendar month.

[Paragraph (n) amended by Amdt. 19]

(o) Services the rates of which are regulated by the Department of Agriculture under the Stockyards and Packers Act.

(p) Sales of abandoned or confiscated property by Government agencies or pursuant to a court decree.

(q) Sales of commodities or services the ceiling prices of which are now or subsequently established by other regulations or orders of the Director of Price Stabilization or by voluntary agreements approved in accordance with the provisions of Section 708 of the Defense Production Act of 1950.

(r) Sales of military and strategic commodities but only to the extent specified by supplementary regulations or orders which will be issued defining the scope of this exemption.

(s) The following food, agricultural and related commodities (including any that may be imported):

(1) (i) The following commodities only when sold by the producers thereof: eggs, dry edible beans and peas, and popcorn.

(ii) In addition, any other agricultural commodity in its raw or natural state, or if the commodity is not customarily sold by producers generally in its raw or natural state, in the first form or state beyond the raw or natural state in which it is customarily sold by producers generally.

(iii) The exemption established in (i) and (ii) above shall apply to the same commodities produced in the territories and possessions of the United States.

(iv) The exemption established by this subparagraph (1) in (i), (ii) and (iii) shall not apply to sales, other than by producers, of any agricultural commodity (or the same commodity produced in the territories and possessions of the United States), not now listed in section 11 (a) or hereafter deleted from the section 11 (a) list. The ceiling price for sales, other than by producers, of any commodity hereafter deleted from the section 11 (a) list shall, after such deletion, be determined under the provisions of this regulation, except that, if such ceiling price is determined under section 3, the "base period" shall be the most recent five-week period preceding the date the Director of Price Stabilization deleted the commodity from the list. Such ceiling prices shall become effective on the date determined by the Director.

[Subparagraph (1) amended by Amdts. 1, 7, 13, 14 and 20]

(2) Any commodity grown and processed on the farm when sold by the farmer if the total of such sales and deliveries does not exceed $200 in any one calendar month.

(3) Raw wool when sold by the producer and mohair when sold by the producer.

[Subparagraph (3) amended by Amdt. 13]

(4) Cotton when sold by the producer of that commodity.

(5) American-Egyptian cotton and extra long staple cotton grown outside the United States.

NOTE: Contracts for the sale of extra long staple cotton grown outside the United States executed on or after February 11, 1951, shall not be deemed in violation of the General Ceiling Price Regulation.

[Subparagraph (5) amended by Amdt. 9]

(6) All live animals.

(7) All fresh fruits, including berries and tree nuts, and all fresh vegetables.

[Subparagraph (7) amended by Amdt. 13]

(8) Fresh fish, seafood and game, and frozen fish and shellfish.

[Subparagraph (8) amended by Amdt. 11]

(9) Seeds including hay, pasture, legume and covercrop seeds and other seeds.

(10) Crude pine gum when sold by the producer.

[Subparagraph (10) amended by Amdt. 1]

(11) The following oil seeds or nuts, their oils and fatty acids or combinations of these oils so long as the oils remain in a form customarily designated by the trade as "oil":

Babassu kernels.
Babassu oil.
Cacao butter.
Cashew nut shell liquid.
Castor beans.
Castor oil.
Cod oil.
Cohune kernels.
Cohune oil.
Coquito kernels.
Coquito oil.
Copra.
Cocoanut oil.
Hemp seed.
Hemp seed oil.
Kapok seed.
Kapok seed oil.
Muru-muru kernels.
Muru-muru oil.
Oiticica oil.
Olive oil, edible, sulphur and other inedible.
Ouricury kernels.
Ouricury oil.
Palm oil.
Palm kernels.
Palm kernel oil.
Perilla seeds.
Perilla seed oil.
Poppyseed.
Poppyseed oil.
Rapeseed, rapeseed oil.
Rubberseed.
Rubberseed oil.
Sesame seed.
Sesame oil.
Shark oil.
Sperm oil.
Sunflower seed.
Sunflower seed oil.
Tucum kernels.
Tucum oil.
Tung oil.
Whale oil.

[Subparagraph (11) amended by Amdt. 1]

(12) Flue cured tobacco, types 11 to 14, when sold by the producer.

(13) Cotton seed when sold by the producer.

(14) Dried figs, raisins and prunes when sold by the producer.

(15) Broom corn when sold by the producer.

(16) Sugarcane, and sugar and liquid sugar (as defined in the Sugar Act of 1948).

[Subparagraphs (12), (13), (14), (15), (16) added by Amdt. 1]

(17) Cut greens when used for decorative purposes, such as ferns and the boughs and leaves of trees and shrubs; nursery stock; Christmas trees; vegetable plants; and natural flowers and floral products, such as cut flowers, flowering plants, foliage plants, and bulbs for planting purposes.

[Subparagraph (17) added by Amdt. 8; amended by Amdts. 16 and 21]

(18) All domestically produced and imported geese, guineas, squabs, pigeons, quail, partridges, pheasants, rabbits and hares, whether in processed or unprocessed form, and at all levels of purchase and sale.

[Subparagraph (18) added by Amdt. 12; amended by Amdt. 22]

(19) Holiday fruit cake, that is, fruit cake which: (1) Contains not less than 50 percent by weight of fruits and nuts in relation to the total weight of the fruit cake mix; and which (2) is pack-

aged by the manufacturer in a wrapper or container which indicates that such fruit cake is packaged expressly for sale during the Thanksgiving or Christmas season or both.

[Subparagraph (19) added by Amdt. 18]

(20) All raw and unprocessed chicken and turkey feathers and fibre, and all raw and unprocessed new, or unprocessed second-hand, goose or duck feathers and down.

[Subparagraph (20) added by Amdt. 22]

(21) Goat's milk when sold by the producer.

[Subparagraph (21) added by Amdt. 27]

(t) (1) Sales by any person, other than an agency or instrumentality of the United States Government, of his used supplies or equipment, not acquired or produced by him for the purpose of sale, provided that a used item may not be sold at a price higher than the ceiling price of that item when new for sales to the same class of purchaser. If the seller cannot determine the ceiling price for the item when new, he may not charge for the used item any amount in excess of his cost of acquisition for that item.

(2) This exemption does not apply to used trucks, to scrap or waste materials or to any commodity which is now or hereafter specifically covered by any supplementary regulation to the General Ceiling Price Regulation or by any numbered ceiling price regulation.

[Paragraph (t) added by Amdt. 26]

SEC. 15. *Amendments, protests and interpretations.* The Director of Price Stabilization may issue supplementary regulations modifying or implementing this regulation as he deems appropriate. Price Procedural Regulation No. 1 sets forth the circumstances and the manner in which you may obtain an official interpretation of this regulation; file a protest; or petition for an amendment. If the Director of Price Stabilization determines that adjustments are necessary to prevent or correct hardships or inequities and can be put into effect consistently with the objectives of the Defense Production Act of 1950, he will issue appropriate amendments or supplementary regulations providing for such adjustments.

SEC. 16. *Records.* This section tells you what records you must preserve and what additional records you must prepare.

(a) *Base period records.* (1) You must preserve and keep available for examination by the Director of Price Stabilization those records in your possession showing the prices charged by you for the commodities or services which you delivered or offered to deliver during the base period, and also sufficient records to establish the latest net cost incurred by you prior to the end of the base period in purchasing the commodities (if you are a wholesaler or retailer).

(2) In addition, on or before March 22, 1951, you must prepare and preserve a statement showing the categories of commodities in which you made deliveries and offers for delivery during the base period; or if you sold services you must prepare and preserve a statement listing the services which you delivered or offered to deliver during the base period.

[Subparagraph (2) amended by Amdts. 3 and 5]

(3) On or before March 22, 1951, you must also prepare and preserve a ceiling price list, showing the commodities in each category (listing each model, type, style, and kind), or the services, delivered or offered for delivery by you during the base period together with a description or identification of each such commodity or service and a statement of the ceiling price. Your ceiling price list may refer to an attached price list or catalogue. If you are a retailer you may satisfy the requirement of this paragraph (3) by recording on your purchase invoices, covering the commodities (including every model, type, style, and kind) delivered or offered for delivery by you during the base period, the price at which you sold, or offered the commodities for delivery, during the base period.

[Subparagraph (3) amended by Amdts. 3 and 5]

(4) You must also prepare and preserve a statement of your customary price differentials for terms and conditions of sale and classes of purchasers, which you had in effect during the base period.

(5) If you operate a restaurant, you are required to preserve all menus used by you during the last ten days of the base period and all menus hereafter used by you.

(b) *Current records.* If you sell commodities or services covered by this regulation you must prepare and keep available for examination by the Director of Price Stabilization for a period of two years, records of the kind which you customarily keep showing the prices which you charge for the commodities or services. In addition, you must prepare and preserve records indicating clearly the basis upon which you have determined the ceiling price for any commodities or services not delivered by you or offered for delivery during the base period. If you are a retailer you are required to preserve your purchase invoices and to record thereon both your initial selling price and the section of this regulation under which you have determined your ceiling price.

(c) In certain situations, other sections of this regulation require additional records to be prepared or submitted.

SEC. 17. *Sales slips and receipts.* Any seller who has customarily given a purchaser a sales slip, receipt, or similar evidence of purchase shall continue to do so. Upon request from a purchaser any seller, regardless of previous custom, shall give the purchaser a receipt showing the date, the name and address of the seller, the name of each commodity or service sold, and the price received for it.

SEC. 18. *Evasion.* Any practice which results in obtaining indirectly a higher price than is permitted by this regulation is a violation of this regulation. Such practices include, but are not limited to devices making use of commissions, services, cross sales, transportation arrangements, premiums, discounts, special privileges, tie in agreements and trade understandings.

SEC. 19. *Transfers of business or stock in trade.* If the business, assets or stock in trade of any business are sold or otherwise transferred after January 26, 1951, and the transferee carries on the business, or continues to deal in the same type of commodities or services, in an establishment separate from any other establishment previously owned or operated by him, the maximum prices of the transferee shall be the same as those to which his transferor would have been subject if no such transfer had taken place, and his obligation to keep records sufficient to verify such prices shall be the same. The transferor shall either preserve and make available, or turn over, to the transferee all records of transactions prior to the transfer which are necessary to enable the transferee to comply with the record provisions of this regulation.

SEC. 20. *Excise, sales or similar taxes—*(a) *Tax paid as such by manufacturer, wholesaler or retailer, where the tax is separately stated and collected.* In addition to your ceiling price, you may collect the amount of any excise, sales or similar tax paid by you as such if, during the base period you stated and collected such tax separately from your selling price. In the case of an increase in any excise, sales or similar tax or any new such tax, which is not effective until after January 26, 1951, you may, in addition to your ceiling price, state separately and collect the amount of such increase or new tax actually paid as such by you, if not prohibited by the tax law. You must in all such cases state separately the amount of the tax.

(b) *Tax paid as such by wholesaler or retailer, where the tax is not separately stated.* If you are a wholesaler or a retailer, and after January 26, 1951, the amount of any excise, sales or similar tax paid as such by you and included in your ceiling price is reduced or eliminated, you must reduce your ceiling price to reflect the appropriate amount of such reduction or elimination. If after January 26, 1951, any such tax is increased or any such tax is newly imposed, you may increase your ceiling price to reflect the appropriate amount of such increase or new tax, and you may include the amount in your selling price, if not prohibited by the tax law.

(c) *If you are a manufacturer and the tax is included in your selling price.* If you are a manufacturer (except a manufacturer of tobacco products), and after January 26, 1951, the amount of any excise, sales or similar tax which is included in your ceiling price is reduced or eliminated, you must reduce your ceiling

price to reflect the appropriate amount of such reduction or elimination. If you are a manufacturer (including a manufacturer of tobacco products), and after January 26, 1951, any such tax is increased, you may increase your ceiling price to reflect the appropriate amount of the increase paid as such by you, if the former amount of such tax was included in your ceiling price. In the case of any new excise, sales or similar tax which is not effective until after January 26, 1951, you may increase your ceiling price to reflect the appropriate amount of such new tax paid as such by you. Ceiling prices redetermined under this paragraph replace your former ceiling prices for all purposes of this regulation including use under section 4 of this regulation to determine the ceiling price of a new commodity. If you have otherwise complied with the reporting requirements of this regulation, no new report need be filed of a ceiling price redetermined under this paragraph.

(d) *Where net cost includes changed or new excise tax.* If you are a wholesaler or retailer and the net invoice cost of a commodity purchased by you for resale is changed by reason of the imposition or elimination of or increase or decrease in a manufacturer's excise tax, you recalculate your ceiling price under Supplementary Regulation 29, except for those commodities covered by paragraph (e) of this section.

(e) *Commodities for which only exact change in excise tax may be reflected in ceiling price.* If you are a wholesaler or retailer of the following commodities:

(1) Malt beverages,
(2) Tobacco products,
(3) Photographic apparatus, film and equipment (except private brands),

you may increase your ceiling price by the exact amount of any increase in or new manufacturer's excise tax reflected on the invoice to you; and except for tobacco products you must decrease your ceiling price by the exact amount of the decrease in or elimination of any such tax reflected on the invoice to you. Except for malt beverages and tobacco products, you must in all such cases on sales to sellers for resale state separately the amount of the tax.

(f) *Rounding taxes.* If a change occurs in an excise, sales or similar tax paid by you, or if the net invoice cost paid by you for a commodity purchased by you for resale changes by reason of the imposition of or increase in a manufacturer's excise tax, and your resulting cost per unit of the commodity you sell is not a round amount, you shall reflect any fraction of a cent as follows:

(1) On sales of one unit of that commodity, at one time to one purchaser, you shall drop the fraction of a cent if less than a half cent and increase the fraction to the nearest higher cent if a half cent or more.

(2) On sales of more than one unit of that commodity at one time to one purchaser, you shall multiply the exact amount of the tax change (including any fraction) per unit you sell by the number of the units you sell at that time to that purchaser, and shall drop any resulting fraction of a cent if less than a half cent and increase any resulting fraction of a cent to the nearest higher cent if a half cent or more.

Example: Your increased tax on a case of beer containing 24 bottles is 7.2 cents, so your increased cost per bottle is 7.2 cents divided by 24 bottles, or 3/10 cent. If you sell one bottle of beer, your tax increase is less than ½ cent and therefore you may not increase your ceiling price. If you sell three bottles of beer, your tax increase is 3 times 3/10 cent and therefore you may increase your ceiling price for all three bottles of beer sold at one time to one purchaser by 1 cent.

(g) *Special rule for mail order establishments.* If you operate a mail order establishment you are not required to observe the pricing rules of this section as to any mail order sales of commodities covered by any of your catalogs, booklets, circulars, flyers or other forms of printed price lists which were printed before November 1, 1951. Your ceiling prices for such sales continue to be those established pursuant to the other sections of this regulation for so long as the printed price lists remain in effect except that:

(1) You may recalculate your ceiling prices for any commodity on which there is a new manufacturer's excise tax as soon as that tax is reflected in the net invoice cost of the commodity to you, and

(2) You may recalculate your ceiling prices for any commodity in the following groups of commodities when an increase in a manufacturer's excise tax is reflected in the net invoice cost of the commodity to you if you also recalculate your ceiling prices for the commodities in the group on which a decrease in or elimination of the manufacturer's excise tax is reflected in the net invoice cost of the commodity to you:

(i) Photographic apparatus, film and equipment.
(ii) Sporting goods.

[Section 20 amended by Amdt. 23]

SEC. 21. *Penalties.* Persons violating any provision of this regulation are subject to the criminal penalties, civil enforcement actions, and suits for treble damages provided for by the Defense Production Act of 1950.

SEC. 22. *Definitions and explanations.* This General Ceiling Price Regulation and the terms which appear in it shall be construed in the following manner, unless otherwise clearly required by the context:

Business establishment. This term refers to the physical location of the store, shop or other place of business in which commodities are manufactured or sold or at or from which commodities or services are supplied.

Class of purchaser or purchaser of same class. This term refers to the practice adopted by a seller in setting different prices for sales to different purchasers or kinds of purchasers (for example, manufacturer, wholesaler, shopper, retailer, Government agency, public institutions or individual consumer) or for purchasers located in different areas or for purchasers of different quantities or grades or under different terms or conditions of sale or delivery.

Commodity. This term includes commodities, materials, articles, products, supplies, components, and processes.

Delivered. A commodity shall be deemed to have been delivered during a specified period if during that period it was received by the purchaser or by any carrier, including a carrier owned or controlled by the seller, for shipment to the purchaser. A service shall be deemed to have been delivered or supplied during the specified period if during the period it was completed or in process.

Director of Price Stabilization. This term extends to any official (including officials of regional or local offices) to whom the Director of Price Stabilization by order delegates the function, power or authority referred to in this regulation.

Exporter. This term means any person selling a commodity priced under this regulation either directly or through an agent and delivering or shipping to a place outside the United States, its territories and possessions.

Importer. This term means the person by whom a commodity is imported and who first sells it after importation.

Imported. A commodity is imported which is transported from a place outside to a place inside the United States, its territories or possessions, for sale within such area.

Manufacturer. This term refers to any person who is engaged in business other than as a wholesaler or retailer.

Most closely competitive seller of the same class. Your most closely competitive seller of the same class is the seller with whom you are in most direct competition even though he may perform a different function with respect to the commodity or service (e. g., if you are a wholesaler of a commodity, your most closely competitive seller may be a manufacturer; or, if you are a retail supplier of a service, your most closely competitive seller may be a wholesaler). You are in direct competition with another seller who sells the same types of commodities or services to the same classes of purchaser in similar quantities, on similar terms and, if you are selling a commodity, you supply approximately the same amount of service.

Net invoice cost. This term refers to your invoice cost less any discount or allowance you took or could have taken. It does not include separately stated charges such as freight, taxes, etc., except that manufacturers' excise taxes other than those on commodities listed in section 20 (e) may be included.

[Above Paragraph amended by Amdt. 23]

Offering price. The price at which a commodity or service was offered means the price quoted in the seller's price list, or if he had no price list, the price which he regularly quoted in any other manner. This regulation requires that an offer for sale other than at retail must have been in writing. For sales of commodi-

ties at retail the offer must have been made at the immediate point of sale (e. g., the shelves or counters). The term offering price does not include a price intended to withhold a commodity or service from the market or a price offered as a bargaining price by a seller who usually sells at a price lower than his asking price.

Person. This term includes any individual, corporation, partnership, association or any other organized group of persons, or legal successors or representatives of the foregoing, and the United States or any other government or their political subdivisions or agencies.

Records. This term means books of account, sales lists, sales slips, orders, vouchers, contracts, receipts, invoices, bills of lading, and other papers and documents.

Restaurant. This term refers to any establishment in which meals, food items, or beverages are sold and served primarily for consumption on or about the premises (hotels, soda fountains, boarding houses, lunch wagons, etc., are included).

Sale at retail and retailer. Sale at retail means a sale to an ultimate consumer other than an industrial or commercial user. A seller who in the regular course of business makes sales at retail is a retailer.

Sale at wholesale and wholesaler. Sale at wholesale means a sale by a person who buys a commodity and resells it, without substantially changing its form, or who supplies a service, to an industrial or commercial user, or to any person other than the ultimate consumer. A seller who in the regular course of business makes sales at wholesale is a wholesaler.

Sell. This term includes sell, supply (with respect to either commodities or services), dispose, barter, exchange, lease, transfer, deliver, and contracts and offers to do any of the foregoing. The terms buy and purchase shall be construed accordingly. Nothing in this regulation shall be construed to prohibit the making of a contract or offer to sell a commodity or service at (a) the ceiling price in effect at the time of delivery or (b) the lower of a fixed price or the ceiling price in effect at the time of delivery.

Seller. This term includes the seller of any commodity or service. Where a seller makes sales or supplies services through more than one selling unit (other than salesmen making sales at uniform price) each such separate place of business shall be deemed to be a separate seller.

Service. This term includes any service rendered or supplied, otherwise than as an employee.

Unit direct cost. This term means labor and material costs which enter directly into the product. It does not include factory overhead, or indirect manufacturing expenses, administrative, general or selling expenses.

You. The pronoun you as used in this regulation indicates the person subject to the regulation.

Calculations of ceiling prices involving fractions. Fractions of a cent remaining after the total price for a quantity sold has been calculated shall be dropped if less than a half cent and increased to the nearest higher cent if a half cent or more.

[Sec. 22 amended by Amdts. 2, 6 and 7]

JOSEPH L. DWYER,
Recording Secretary.

[F. R. Doc. 52-92; Filed, Jan. 2, 1952; 11:47 a. m.]

Chapter XXI—Office of Rent Stabilization, Economic Stabilization Agency

[Rent Regulation 3, Amdt. 22 to Schedule A]

RR 3—HOTEL REGULATION

SCHEDULE A—DEFENSE RENTAL AREA

ALABAMA AND WISCONSIN

Amendment 22 to Schedule A of Rent Regulation 3—Hotels. Said regulation is amended in the following respect:

New items 1 and 366 are added to Schedule A as follows:

Name of defense-rental area	State	County or counties in defense-rental area under Rent Regulation 3	Maximum rent date	Effective date of regulation
(1) Anniston	Alabama	Calhoun	Oct. 1, 1950	Jan. 3, 1952
(366) Sparta	Wisconsin	Monroe	Sept. 1, 1950	Jan. 8, 1952

This amendment is issued as a result of joint certifications pertaining to critical defense housing areas by the Secretary of Defense and the Director of Defense Mobilization under section 204 (1) of the Housing and Rent Act of 1947, as amended, and a determination as to the relaxation of real estate construction credit controls under section 204 (m) of said act.

(Sec. 204, 61 Stat. 197, as amended; 50 U. S. C. App. Sup. 1894)

This amendment shall be effective January 3, 1952.

Issued this 28th day of December 1951.

TIGHE E. WOODS,
Director of Rent Stabilization.

[F. R. Doc. 52-37; Filed, Jan. 2, 1952; 8:54 a. m.]

[Rent Regulation 1, Amdt. 3, to Schedule A]

[Rent Regulation 2, Amdt. 1, to Schedule A]

RR 1—HOUSING

RR 2—ROOMS IN ROOMING HOUSES AND OTHER ESTABLISHMENTS

SCHEDULE A—DEFENSE-RENTAL AREAS

ALABAMA AND WISCONSIN

Amendment 3 to Schedule A of Rent Regulation 1—Housing and Amendment 1 to Schedule A of Rent Regulation 2—Rooms in Rooming Houses and Other Establishments. Said regulations are amended in the following respect:

In Schedule A, new items 1 and 366 are added as follows:

State and name of defense-rental area	Class	County or counties in defense-rental areas under regulation	Maximum rent date	Effective date of regulation
Alabama				
(1) Anniston	A	Calhoun	Oct. 1, 1950	Jan. 3, 1952
Wisconsin				
(366) Sparta	A	Monroe	Sept. 1, 1950	Jan. 8, 1952

These amendments are issued as a result of joint certifications pertaining to critical defense housing areas by the Secretary of Defense and the Director of Defense Mobilization under section 204 (1) of the Housing and Rent Act of 1947, as amended, and a determination as to the relaxation of real estate construction credit controls under section 204 (m) of said act.

(Sec. 204, 61 Stat. 197, as amended; 50 U. S. C. App. Supp. 1894)

These amendments shall be effective January 3, 1952.

Issued this 28th day of December 1951.

TIGHE E. WOODS,
Director of Rent Stabilization.

[F. R. Doc. 52-38; Filed, Jan. 2, 1952; 8:54 a. m.]

TITLE 41—PUBLIC CONTRACTS

Chapter II—Division of Public Contracts, Department of Labor

PART 201—GENERAL REGULATIONS

CONTRACTS FOR CERTAIN CANNED FRUITS AND VEGETABLES; ORDER GRANTING EXTENSION OF EXEMPTION FROM PROVISIONS OF WALSH-HEALEY PUBLIC CONTRACTS ACT

On September 7, 1951, pursuant to authority vested in me by section 6 of the Walsh-Healey Public Contracts Act (49 Stat. 2036; 41 U. S. C. 35-45) (hereinafter called the "act") I granted, after an open hearing, an exception permitting the award of contracts for the procurement of the following canned fruits and vegetables for the Armed Forces of the United States until and including December 31, 1951, without the inclusion therein of the representations and stipu-

lations of section 1 of the act (16 F. R. 9290):

Apples, canned.
Applesauce, canned.
Apricots, canned.
Asparagus, canned.
Beans, lima, canned.
Beans, string, canned.
Beets, canned.
Berries, canned.
Carrots, canned.
Catsup, tomato.
Cherries, sour, canned.
Cherries, sweet, canned.
Corn, cream style, canned.
Corn, whole grain, canned.
Figs, canned.
Fruit cocktail, canned.
Grapefruit, canned.
Juice, citrus.
Juice, grape.
Juice, pineapple.
Peas, green, canned.
Peaches, canned.
Pears, canned.
Pineapple, canned.
Plums (prunes) canned.
Potatoes, sweet, canned.
Pumpkin, canned.
Puree, tomato.
Sauce, cranberry.
Spinach, canned.
Tomato juice, canned.
Tomato paste, canned.
Tomatoes, canned.

In accordance with § 201.601 of the regulations issued pursuant to the act (41 CFR 201.601), the Secretary of the Army has made a written finding, transmitted through the Department of Defense on December 8, 1951, that the conduct of vital procurement will be impaired unless this exemption is extended through the calendar year 1952 for the canned fruits and vegetables specified; and pursuant to section 6 of the act and upon the basis of this finding, the Secretary of the Army has requested the Secretary of Labor to grant an extension of the exemption during the calendar year 1952.

On December 14, 1951, I concluded from the finding of the Secretary of the Army and the entire record before me that the public interest will be served by a limited extension of the exemption, and I, therefore, issued a notice of proposal to grant an extension of the exemption for a six-month period ending June 30, 1952. This notice was published in the FEDERAL REGISTER of December 18, 1951, and stated that, prior to granting this proposed extension of the exemption, consideration would be given to any data, views or arguments pertaining thereto which are submitted in writing to the Secretary of Labor, Washington 25, D. C., within 10 days from publication of this notice in the FEDERAL REGISTER. (16 F. R. 12707)

After reviewing the entire record pertaining both to the currently effective exemption and to the Secretary of the Army's finding, transmitted through the Department of Defense on December 8, 1951, that the conduct of vital procurement will be impaired unless this exemption is extended, I do hereby grant, pursuant to authority vested in me by section 6 of the act, an extension of this exemption from December 31, 1951 to and including June 30, 1952.

Signed at Washington, D. C., this 29th day of December 1951.

MICHAEL J. GALVIN,
Acting Secretary of Labor.

[F. R. Doc. 51-15479; Filed, Dec. 29, 1951; 4:31 p. m.]

TITLE 42—PUBLIC HEALTH

Chapter I—Public Health Service, Federal Security Agency

Subchapter A—General Provisions

PART 2—ACCEPTANCE AND ADMINISTRATION OF GIFTS

Notice of proposed rule making and public rule making proceedings have been omitted in the issuance of this part. Notice and rule making proceedings have been found to be unnecessary because the provisions of this part relate to Agency management.

1. Subchapter A of Chapter I of this title is amended by adding the following new part thereto:

Sec.
2.1 Unconditional gifts.
2.2 Acceptance of gifts by Surgeon General.
2.3 Acceptance of gifts by Administrator.
2.4 Deposit and expenditure of money gifts.
2.5 Loans of property.
2.6 Property accounting.
2.7 Gifts for patients.

AUTHORITY: Sections 2.1 to 2.7, inclusive, issued under sec. 215, 58 Stat. 690; 42 U. S. C. 216. Interpret or apply sec. 501, 58 Stat. 709, sec. 321, 58 Stat. 695; 42 U. S. C. 219, 248.

§ 2.1 *Unconditional gifts.* A gift will be deemed unconditional if it is made to the Public Health Service for the benefit of the Service or for the carrying out of any of its functions, without further specification as to its purpose or the manner of its use; a gift will also be deemed unconditional if limited without further restriction (a) to one or more of the purposes of any part of Title III of the Public Health Service Act or (b) to one or more of the purposes of any Institute established pursuant to Title IV of the Public Health Service Act.

§ 2.2 *Acceptance of gifts by Surgeon General.* The Surgeon General and such officers and employees of the Service as he may designate for such purpose are authorized to accept on behalf of the United States, the following categories of unconditional gifts to the United States made by will or otherwise, for the benefit of the Public Health Service or for the carrying out of any of its functions:

(a) A gift of money not in excess of $1,000;

(b) A gift of personal property such as, but not limited to, recreational equipment, furniture, radio or television sets if the total market value of the property at the time of the gift does not exceed $1,000.

§ 2.3 *Acceptance of gifts by Administrator.* Gifts not within the category specified in § 2.2 may be accepted only by the Administrator, and conditional gifts may be accepted only by the Administrator on the recommendation of the Surgeon General.

§ 2.4 *Deposit and expenditure of money gifts.* Money gifts accepted in accordance with §§ 2.2 and 2.3 shall be deposited in the Treasury of the United States for expenditure as provided by law.

§ 2.5 *Loans of property.* The medical officer in charge of a Service hospital or station is authorized to accept personal property, such as medical, recreational, or office equipment, loaned without charge on condition that it be used in such facility for either a definite or indefinite period, if the terms of such loan are reduced to writing. Such terms shall provide that the Service shall not be liable for the loss, destruction, damage, maintenance or repair of the loaned property, that the lender will either maintain and repair the property as necessary for its continued use, or accept its return and shall include other provisions for ultimate disposition of the property.

§ 2.6 *Property accounting.* Records of personal property accepted on behalf of the United States under §§ 2.2 and 2.3 or accepted on loan, under § 2.5 shall be kept in accordance with instructions and policies of the Surgeon General.

§ 2.7 *Gifts for patients.* (a) Gifts of money or personal property donated solely for disbursement or distribution by the Service to patients at a designated Service hospital or station or to designated patients at a Service hospital or station shall not be deemed gifts to the United States. Custody of such gifts may be accepted by the medical officer in charge of the facility if in his opinion the gifts will contribute to the well-being of the patients.

(b) Gifts of money accepted under paragraph (a) of this section shall be deposited in the Treasury of the United States to the credit of an appropriate trust fund account of the Service. Disbursement shall be made by the agent cashier of the facility upon the authorization of the medical officer in charge of the facility or of a person designated by him for such purpose in accordance with the terms of the gift. If the facility does not have an agent cashier, the money shall be disbursed by a responsible official designated by the medical officer in charge and provision made for safekeeping and accounting.

(c) Gifts of personal property accepted under paragraph (a) of this section shall be placed in the custody of a responsible official designated by the medical officer in charge and distributed in accordance with the terms of the gift.

2. These regulations shall become effective upon publication in the FEDERAL REGISTER.

[SEAL] W. P. DEARING,
Acting Surgeon General.

Approved: December 27, 1951.

JOHN L. THURSTON,
Acting Federal Security Administrator.

[F. R. Doc. 52-3; Filed, Jan. 2, 1952; 8:46 a. m.]

PART 71—FOREIGN QUARANTINE

VESSELS OR AIRCRAFT SUBJECT TO QUARANTINE INSPECTION

Notice of proposed rule making and public rule-making proceedings have been omitted in the issuance of the following amendment of § 71.46. Notice and rule-making proceedings have been found to be unnecessary because the sole purpose of the amendment is to add ports in the Islands of Aruba and Curacao to the list of ports at which a vessel or aircraft may touch without becoming subject to quarantine inspection.

1. Section 71.46 (a) is amended to read as follows:

§ 71.46 *General provision.* (a) A vessel or aircraft arriving at a port under the control of the United States shall undergo quarantine inspection prior to entry unless:

(1) In the current voyage the vessel or aircraft has not touched at any port other than ports under the control of the United States or ports in Canada, the Islands of St. Pierre and Miquelon, Iceland, Greenland, the West Coast of Lower California, Cuba, the Bahama Islands, the Canal Zone, the Bermuda Islands, or the Islands of Aruba and Curacao; or

(2) In the current voyage the vessel or aircraft has received pratique at a port under the control of the United States, and since receiving such pratique has not touched at a port other than those listed in subparagraph (1) of this paragraph; or

(3) The vessel or aircraft possesses a duplicate of a pratique issued at a port in Canada or the Canal Zone, provided that since receiving such pratique the vessel or aircraft has not touched at ports other than those listed in subparagraph (1) of this paragraph.

(Sec. 215, 58 Stat. 690; 42 U. S. C. 216. Interprets or applies secs. 361-369, 58 Stat. 703-706; 42 U. S. C. 264-272)

2. The foregoing amendment shall be effective on publication in the FEDERAL REGISTER.

W. P. DEARING,
Acting Surgeon General.

Approved: December 29, 1951.

JOHN L. THURSTON,
Acting Federal Security Administrator.

[F. R. Doc. 51-15477; Filed, Dec. 29, 1951; 12:26 p. m.]

PROPOSED RULE MAKING

DEPARTMENT OF THE TREASURY

Bureau of Internal Revenue

[26 CFR Part 29]

INCOME TAX; TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1941

NOTICE OF PROPOSED RULE MAKING

Notice is hereby given, pursuant to the Administrative Procedure Act, approved June 11, 1946, that the regulations set forth in tentative form below are proposed to be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury. Prior to the final adoption of such regulations, consideration will be given to any data, views, or arguments pertaining thereto which are submitted in writing in duplicate to the Commissioner of Internal Revenue, Washington 25, D. C., within the period of 30 days from the date of publication of this notice in the FEDERAL REGISTER. The proposed regulations are to be issued under the authority contained in section 62 of the Internal Revenue Code (53 Stat. 32; 26 U. S. C. 62).

[SEAL] JOHN B. DUNLAP,
Commissioner of Internal Revenue.

In order to conform Regulations 111 (26 CFR Part 29) to certain provisions of Parts I and III of Title III of the Revenue Act of 1950 (Public Law 814, 81st Cong.), approved September 23, 1950, to section 11 of the Internal Security Act of 1950 (Public Law 831, 81st Cong.), enacted September 23, 1950, and to section 601 of the Revenue Act of 1951 (Public Law 183, 82d Cong.), approved October 20, 1951, such regulations are hereby amended as follows:

PARAGRAPH 1. There is inserted immediately preceding § 29.23 (o)-1 the following:

SEC. 11. DENIAL OF TAX DEDECTIONS AND EXEMPTIONS (INTERNAL SECURITY ACT OF 1950, ENACTED SEPTEMBER 23, 1950).

(a) Notwithstanding any other provision of law, no deduction for Federal income-tax purposes shall be allowed in the case of a contribution to or for the use of any organization if at the time of the making of such contribution (1) such organization is registered under scetion 7, or (2) there is in effect a final order of the Board [the Subversive Activities Control Board] requiring such organization to register under section 7.

* * * * * *

SEC. 332. TECHNICAL AMENDMENTS (REVENUE ACT OF 1950, APPROVED SEPTEMBER 23, 1950).

(a) *Amendment of section 23 (o).* Section 23 (o) (2) is hereby amended by striking out "legislation;" and inserting in lieu thereof the following: "legislation. For disallowance of certain charitable, etc., deductions otherwise allowable under this paragraph, see sections 3813 and 162 (g) (2);".

* * * * * *

PAR. 2. Section 29.23 (o)-1, as amended by Treasury Decision 5425, approved December 29, 1944, is further amended by inserting immediately preceding the last sentence of paragraph (a) thereof the following: "For disallowance of certain charitable deductions otherwise allowable under section 23 (o) (2), see sections 3813 and 162 (g) (2) and the regulations promulgated pursuant thereto. For certain provisions with respect to gifts made before January 1, 1951, see § 29.101-3 (a)."

PAR. 3. There is inserted immediately preceding § 29.23 (q)-1 the following:

SEC. 11. DENIAL OF TAX DEDUCTIONS AND EXEMPTIONS (INTERNAL SECURITY ACT OF 1950, ENACTED SEPTEMBER 23, 1950).

(a) Notwithstanding any other provision of law, no deduction for Federal income-tax purposes shall be allowed in the case of a contribution to or for the use of any organization if at the time of the making of such contribution (1) such organization is registered under section 7, or (2) there is in effect a final order of the Board (the Subversive Activities Control Board) requiring such organization to register under section 7.

* * * * * *

SEC. 332. TECHNICAL AMENDMENTS (REVENUE ACT OF 1950, APPROVED SEPTEMBER 23, 1950).

* * * * * *

(b) *Amendment of section 23 (q).* Section 23 (q) (2) is hereby amended by striking out "legislation; or" and inserting in lieu thereof the following: "legislation. For disallowance of certain charitable, etc., deductions otherwise allowable under this paragraph, see sections 3813 and 162 (g) (2); or".

* * * * * *

PAR. 4. Section 29.23 (q)-1, as amended by Treasury Decision 5796, approved July 19, 1950, is further amended by inserting immediately after the last sentence of paragraph (a) thereof the following: "For disallowance of certain charitable, etc., deductions otherwise allowable under section 23 (q) (2), see sections 3813 and 162 (g) (2) and the regulations promulgated pursuant thereto. For certain provisions with respect to gifts made before January 1, 1951, see § 29.101-3 (a)."

PAR. 5. There is inserted immediately preceding § 29.101-1 the following:

SEC. 11. DENIAL OF TAX DEDUCTIONS AND EXEMPTIONS (INTERNAL SECURITY ACT OF 1950, ENACTED SEPTEMBER 23, 1950).

* * * * * *

(b) No organization shall be entitled to exemption from Federal income tax, under section 101 of the Internal Revenue Code, for any taxable year if at any time during such taxable year (1) such organization is registered under section 7, or (2) there is in effect a final order of the Board (the Subversive Activities Control Board) requiring such organization to register under section 7.

SEC. 301. INCOME OF EDUCATIONAL, CHARITABLE, AND CERTAIN OTHER EXEMPT ORGANIZATIONS (REVENUE ACT OF 1950, APPROVED SEPTEMBER 23, 1950).

* * * * * *

(b) *Feeder organizations.* Section 101 is hereby amended by adding at the end thereof the following paragraph:

An organization operated for the primary purpose of carrying on a trade or business for profit shall not be exempt under any paragraph of this section on the ground that all of its profits are payable to one or more organizations exempt under this section from taxation. For the purposes of this paragraph the term "trade or business" shall not include the rental by an organization of its real property (including personal property leased with the real property).

(c) *Technical amendments.* (1) Section 101 is hereby amended (A) by striking out "The following organizations shall be exempt" and inserting in lieu thereof "Ex-

cept as provided in supplement U, the following organizations shall be exempt", and (B) by adding at the end of such section (following the paragraph added by subsection (b) of this section) the following paragraph:

Notwithstanding supplement U, an organization described in this section (other than in the preceding paragraph) shall be considered an organization exempt from income taxes for the purpose of any law which refers to organizations exempt from income taxes.

* * * * *

SEC. 303. EFFECTIVE DATE OF PART I (REVENUE ACT OF 1950, APPROVED SEPTEMBER 23, 1950).

The amendments made by this part [sections 301, 302, and 303 of the Revenue Act of 1950] shall be applicable only with respect to taxable years beginning after December 31, 1950. The determination as to whether an organization is exempt under section 101 of the Internal Revenue Code from taxation for any taxable year beginning before January 1, 1951, shall be made as if section 301 (b) of this Act had not been enacted and without inferences drawn from the fact that the amendment made by such section is not expressly made applicable with respect to taxable years beginning before January 1, 1951.

PAR. 6. There is inserted immediately after § 29.101–2 the following:

§ 29.101–3 *Limitations on exemption*—(a) *In general.* Under section 11 (b) of the Internal Security Act of 1950, no organization is entitled to exemption under section 101 for any taxable year if at any time during such year such organization is registered under section 7 of such act or if there is in effect a final order of the Subversive Activities Control Board established by section 12 of such act requiring such organization to register under section 7 of such act. Under sections 3813 and 3814 of the Internal Revenue Code, certain organizations described in section 101 (6) may be denied exemption under section 101 (6) for taxable years beginning after December 31, 1950. See §§ 29.3813–1 and 29.3814–1. Section 302 of the Revenue Act of 1950, as amended by section 601 of the Revenue Act of 1951, prescribes the following rules respecting exemption of certain organizations for taxable years beginning prior to January 1, 1951:

(a) *Trade or business not unrelated.* For any taxable year beginning prior to January 1, 1951, no organization shall be denied exemption under paragraph (1), (6), or (7) of section 101 of the Internal Revenue Code on the grounds that it is carrying on a trade or business for profit if the income from such trade or business would not be taxable as unrelated business income under the provisions of Supplement U of the Internal Revenue Code, as amended by this Act, or if such trade or business is the rental by such organization of its real property (including personal property leased with the real property).

(b) *Period of limitations.* In the case of an organization which would otherwise be exempt under section 101 of the Internal Revenue Code were it not carrying on a trade or business for profit, the filing of the information return required by section 54 (f) of the Internal Revenue Code (relating to returns by tax-exempt organizations) for any taxable year beginning prior to January 1, 1951, shall be deemed to be the filing of a return for the purposes of section 275 of the Internal Revenue Code (relating to period of limitation upon assessment and collection). In the case of such an organization which was, by the provisions of section 54 (f) of the Internal Revenue Code, specifically not required to file such information return, for the purposes of the preceding sentence a return shall be deemed to have been filed at the time when such return should have been filed had it been so required. The provisions of this subsection shall not apply to a taxable year of such an organization with respect to which, prior to September 20, 1950, (1) any amount of tax was assessed or paid, or (2) a notice of deficiency under section 272 of the Internal Revenue Code was sent to the taxpayer.

(c) *Denial of deductions.* A gift or bequest to an organization prior to January 1, 1951, for religious, charitable, scientific, literary, or educational purposes (including the encouragement of art and the prevention of cruelty to children or animals) otherwise allowable as a deduction under section 23 (o) (2), 23 (q) (2), 162 (a), 505 (a) (2), * * * of the Internal Revenue Code, may not be denied under such sections if a denial of exemption to such organization for the taxable year of the organization in which such gift or bequest was made is prevented by the provisions of subsections (a) or (b) of this section.

(d) *Profits inuring to the benefit of certain educational organizations or hospitals.* For any taxable year beginning prior to January 1, 1951, an organization operated for the primary purpose of carrying on a trade or business for profit, no part of the net earnings of which inures to the benefit of any private shareholder or individual and all of the net earnings of which inure to the benefit of an educational organization which normally maintains a regular faculty and curriculum and normally has a regularly organized body of pupils or students in attendance at the place where its educational activities are regularly carried on, or to the benefit of a hospital, or an institution for the rehabilitation of physically handicapped persons, which maintains or is building for proper maintenance a hospital or institution staffed or to be staffed by qualified professional persons for the treatment of the sick and/or the rehabilitation of the physically handicapped, shall not be denied exemption from taxation under section 101 of the Internal Revenue Code on the ground that it is carrying on a trade or business for profit. The determination as to whether an organization other than one described in this subsection is exempt under section 101 of the Internal Revenue Code from taxation for any taxable year beginning before January 1, 1951, shall be made as if this subsection and section 301 (b) of this Act had not been enacted and without inferences drawn from the fact that this subsection and the amendment made by section 301 (b) are not expressly made applicable with respect to taxable years beginning before January 1, 1951.

(b) *Feeder organizations.* In the case of an organization operated for the primary purpose of carrying on a trade or business for profit, exemption is not allowed under any paragraph of section 101 on the ground that all the profits of such organization are payable to one or more organizations exempt from taxation under section 101. For the purpose of this section, the term "trade or business" does not include the rental by an organization of its real property (including personal property leased with the real property). In determining the primary purpose of an organization, all the circumstances must be considered, including the size and extent of the trade or business and the size and extent of those activities of such organization which are specified in the applicable paragraph of section 101.

In certain cases an organization which carries on a trade or business for profit but is not operated for the primary purpose of carrying on such trade or business is subject to tax under Supplement U of Chapter 1 of the Internal Revenue Code (which Supplement begins with section 421) on its unrelated business net income.

PAR. 7. Immediately preceding each of §§ 29.101 (1)–1 to 29.101 (5)–1, inclusive, each of §§ 29.101 (7)–1 to 29.101 (13)–1, inclusive, § 29.101 (18)–1, and immediately after section 101 (19) (which section is set forth immediately after § 29.101 (18)–1), there is inserted the following:

SEC. 301. INCOME OF EDUCATIONAL, CHARITABLE, AND CERTAIN OTHER EXEMPT ORGANIZATIONS (REVENUE ACT OF 1950, APPROVED SEPTEMBER 23, 1950).

* * * * *

(b) *Feeder organizations.* Section 101 is hereby amended by adding at the end thereof the following paragraph:

An organization operated for the primary purpose of carrying on a trade or business for profit shall not be exempt under any paragraph of this section on the ground that all of its profits are payable to one or more organizations exempt under this section from taxation. For the purposes of this paragraph the term "trade or business" shall not include the rental by an organization of its real property (including personal property leased with the real property).

(c) *Technical amendments.* (1) Section 101 is hereby amended (A) by striking out "The following organizations shall be exempt" and inserting in lieu thereof "Except as provided in supplement U, the following organizations shall be exempt", and (B) by adding at the end of such section (following the paragraph added by subsection (b) of this section) the following paragraph:

Notwithstanding supplement U, an organization described in this section (other than in the preceding paragraph) shall be considered an organization exempt from income taxes for the purpose of any law which refers to organizations exempt from income taxes.

* * * * *

SEC. 303. EFFECTIVE DATE OF PART I (REVENUE ACT OF 1950, APPROVED SEPTEMBER 23, 1950).

The amendments made by this part (sections 301, 302, and 303 of the Revenue Act of 1950) shall be applicable only with respect to taxable years beginning after December 31, 1950. The determination as to whether an organization is exempt under section 101 of the Internal Revenue Code from taxation for any taxable year beginning before January 1, 1951, shall be made as if section 301 (b) of this Act had not been enacted and without inferences drawn from the fact that the amendment made by such section is not expressly made applicable with respect to taxable years beginning before January 1, 1951.

PAR. 8. There is inserted immediately preceding § 29.101 (6)–1 the following:

SEC. 301. INCOME OF EDUCATIONAL, CHARITABLE, AND CERTAIN OTHER EXEMPT ORGANIZATIONS (REVENUE ACT OF 1950, APPROVED SEPTEMBER 23, 1950).

* * * * *

(b) *Feeder organizations.* Section 101 is hereby amended by adding at the end thereof the following paragraph:

An organization operated for the primary purpose of carrying on a trade or business for profit shall not be exempt under any paragraph of this section on the ground that all of its profits are payable to one or more organizations exempt under this section from taxation. For the purposes of this paragraph the term "trade or business" shall not include the rental by an organization of its real property (including personal property leased with the real property).

(c) *Technical amendments.* (1) Section 101 is hereby amended (A) by striking out "The following organizations shall be exempt" and inserting in lieu thereof "Except as provided in supplement U, the following organizations shall be exempt", and (B) by adding at the end of such section (following the paragraph added by subsection (b) of this section) the following paragraph:

Notwithstanding supplement U, an organization described in this section (other than in the preceding paragraph) shall be considered an organization exempt from income taxes for the purpose of any law which refers to organizations exempt from income taxes.

* * * * *

SEC. 303. EFFECTIVE DATE OF PART I (REVENUE ACT OF 1950, APPROVED SEPTEMBER 23, 1950).

The amendments made by this part (sections 301, 302, and 303 of the Revenue Act of 1950) shall be applicable only with respect to taxable years beginning after December 31, 1950. The determination as to whether an organization is exempt under section 101 of the Internal Revenue Code from taxation for any taxable year beginning before January 1, 1951, shall be made as if section 301 (b) of this Act had not been enacted and without inferences drawn from the fact that the amendment made by such section is not expressly made applicable with respect to taxable years beginning before January 1, 1951.

SEC. 332. TECHNICAL AMENDMENTS (REVENUE ACT OF 1950, APPROVED SEPTEMBER 23, 1950).

* * * * *

(c) *Amendment of section 101 (6).* Section 101 (6) is hereby amended by striking out "legislation;" and inserting in lieu thereof the following: "legislation. For loss of exemption under certain circumstances, see sections 3813 and 3814;".

* * * * *

PAR. 9. Section 29.101 (6)–1 is amended by adding at the end thereof the following:

Sections 3813 and 3814 set forth rules under which certain organizations described in section 101 (6) may be denied exemption. See §§ 29.3813–1 and 29.3814–1.

PAR. 10. There is inserted immediately preceding § 29.162–1 the following:

SEC. 11. DENIAL OF TAX DEDUCTIONS AND EXEMPTIONS (INTERNAL SECURITY ACT OF 1950, ENACTED SEPTEMBER 23, 1950).

(a) Notwithstanding any other provision of law, no deduction for Federal income-tax purposes shall be allowed in the case of a contribution to or for the use of any organization if at the time of the making of such contribution (1) such organization is registered under section 7, or (2) there is in effect a final order of the Board [the Subversive Activities Control Board] requiring such organization to register under section 7.

* * * * *

PAR. 11. There is inserted immediately preceding § 29.505–1 the following:

SEC. 11. DENIAL OF TAX DEDUCTIONS AND EXEMPTIONS (INTERNAL SECURITY ACT OF 1950, ENACTED SEPTEMBER 23, 1950).

(a) Notwithstanding any other provision of law, no deduction for Federal income-tax purposes shall be allowed in the case of a contribution to or for the use of any organization if at the time of the making of such contribution (1) such organization is registered under section 7, or (2) there is in effect a final order of the Board [the Subversive Activities Control Board] requiring such organization to register under section 7.

* * * * *

SEC. 332. TECHNICAL AMENDMENTS (REVENUE ACT OF 1950, APPROVED SEPTEMBER 23, 1950).

* * * * *

(d) *Amendment of section 505 (a).* Section 505 (a) (2) is hereby amended by adding at the end thereof the following: "For disallowance of certain charitable, etc., deductions otherwise allowable under this paragraph, see sections 3813 and 162 (g) (2)."

* * * * *

PAR. 12. There is inserted immediately preceding Subpart H of Regulations 111 (26 CFR 29.6000) the following:

SEC. 331. EXEMPTION OF CERTAIN ORGANIZATIONS UNDER SECTION 101 (6) AND DEDUCTIBILITY OF CONTRIBUTIONS MADE TO SUCH ORGANIZATIONS (REVENUE ACT OF 1950, APPROVED SEPTEMBER 23, 1950).

Chapter 38 is hereby amended by inserting at the end thereof the following new sections:

SEC. 3813. REQUIREMENTS FOR EXEMPTION OF CERTAIN ORGANIZATIONS UNDER SECTION 101 (6) AND FOR DEDUCTIBILITY OF CONTRIBUTIONS MADE TO SUCH ORGANIZATIONS.

(a) *Organizations to which section applies.* This section shall apply to any organization described in section 101 (6) except—

(1) A religious organization (other than a trust);

(2) An educational organization which normally maintains a regular faculty and curriculum and normally has a regularly enrolled body of pupils or students in attendance at the place where its educational activities are regularly carried on;

(3) An organization which normally receives a substantial part of its support (exclusive of income received in the exercise or performance by such organization of its charitable, educational, or other purpose or function constituting the basis for its exemption under section 101 (6) from the United States or any State or political subdivision thereof or from direct or indirect contributions from the general public;

(4) An organization which is operated, supervised, controlled, or principally supported by a religious organization (other than a trust) which is itself not subject to the provisions of this section; and

(5) An organization the principal purposes or functions of which are the providing of medical or hospital care or medical education or medical research.

(b) *Prohibited transactions.* For the purposes of this section, the term "prohibited transaction" means any transaction in which an organization subject to the provisions of this section—

(1) Lends any part of its income or corpus, without the receipt of adequate security and a reasonable rate of interest, to;

(2) Pays any compensation, in excess of a reasonable allowance for salaries or other compensation for personal services actually rendered, to;

(3) Makes any part of its services available on a preferential basis to;

(4) Makes any substantial purchase of securities or any other property, for more than adequate consideration in money or money's worth, from;

(5) Sells any substantial part of its securities or other property, for less than an adequate consideration in money or money's worth, to; or

(6) Engages in any other transaction which results in a substantial diversion of its income or corpus to;

the creator of such organization (if a trust); a person who has made a substantial contribution to such organization; a member of the family (as defined in section 24 (b) (2) (D)) of an individual who is the creator of such trust or who has made a substantial contribution to such organization; or a corporation controlled by such creator or person through the ownership, directly or indirectly, of 50 per centum or more of the total combined voting power of all classes of stock entitled to vote or 50 per centum or more of the total value of shares of all classes of stock of the corporation.

(c) *Denial of exemption to organizations engaged in prohibited transactions.*—(1) *General rule.* No organization subject to the provisions of this section which has engaged in a prohibited transaction after July 1, 1950, shall be exempt from taxation under section 101 (6).

(2) *Taxable years affected.* An organization shall be denied exemption from taxation under section 101 (6) by reason of paragraph (1) only for taxable years subsequent to the taxable year during which it is notified by the Secretary that it has engaged in a prohibited transaction, unless such organization entered into such prohibited transaction with the purpose of diverting corpus or income of the organization from its exempt purposes, and such transaction involved a substantial part of the corpus or income of such organization.

(d) *Future status of organization denied exemption.* Any organization denied exemption under section 101 (6) by reason of the provisions of subsection (c), with respect to any taxable year following the taxable year in which notice of denial of exemption was received, may, under regulations prescribed by the Secretary, file claim for exemption, and if the Secretary, pursuant to such regulations, is satisfied that such organization will not knowingly again engage in a prohibited transaction, such organization shall be exempt with respect to taxable years subsequent to the year in which such claim is filed.

(e) *Disallowance of certain charitable, etc., deductions.* No gift or bequest for religious, charitable, scientific, literary, or educational purposes (including the encouragement of art and the prevention of cruelty to children or animals), otherwise allowable as a deduction under section 23 (o) (2), 23 (q) (2), 162 (a), 505 (a) (2), * * * shall be allowed as a deduction if made to an organization which, in the taxable year of the organization in which the gift or bequest is made, is not exempt under section 101 (6) by reason of the provisions of this section. With respect to any taxable year of the organization for which the organization is not exempt pursuant to the provisions of subsection (c) by reason of having engaged in a prohibited transaction with the purpose of diverting the corpus or income of such organization from its exempt purposes and such transaction involved a substantial part of such corpus or income, and which taxable year is the same, or prior to the, taxable year of the organization in which such transaction occurred, such deduction shall be disallowed the donor only if such donor or (if such donor is an individual) any member of his family (as defined in section 24 (b) (2) (D)) was a party to such prohibited transaction.

(f) *Definition.* For the purposes of this section, the term "gift or bequest" means any gift, contribution, bequest, devise, legacy, or transfer.

* * * * *

SEC. 333. EFFECTIVE DATES (REVENUE ACT OF 1950, APPROVED SEPTEMBER 23, 1950).

Subsections (c) and (d) of section 3813 * * * of the Internal Revenue Code,

added by section 331 of this Act, shall apply with respect to taxable years beginning after December 31, 1950, and subsection (e) of section 3813 of the Internal Revenue Code shall apply only with respect to gifts or bequests (as defined in section 3813 of the Internal Revenue Code) made on or after January 1, 1951.

§ 29.3813–1 *Denial of exemption to organizations engaged in prohibited transactions.* The prohibited transactions enumerated in section 3813 (b) are in addition to and not in limitation of the restrictions contained in section 101 (6). Even though an organization has not engaged in any of the prohibited transactions referred to in section 3813 (b), it still may not qualify for tax exemption in view of the general provisions of section 101 (6). Thus, if a trustee or other fiduciary of the organization (whether or not he is also a creator of such organization) enters into a transaction with the organization, such transaction will be closely scrutinized in the light of the fiduciary principle requiring undivided loyalty to ascertain whether the organization is in fact being operated for the stated exempt purposes.

An organization described in section 101 (6), other than an organization excepted by section 3813 (a), which has engaged in any prohibited transaction (as described in section 3813 (b)) after July 1, 1950, shall not be exempt from taxation under section 101 (6) for any taxable year subsequent to the taxable year in which it is notified in writing by the Commissioner that it has engaged in such prohibited transaction. Such notification by the Commissioner shall be by registered mail to the last known address of the organization. However, notwithstanding the requirement of notification by the Commissioner, exemption shall be denied with respect to any taxable year beginning after December 31, 1950, if such organization during or prior to such taxable year commenced the prohibited transaction with the purpose of diverting income or corpus from its exempt purposes and such transaction involved a substantial part of the income or corpus of such organization. For the purpose of this section, the term "taxable year" means the established annual accounting period of the organization; or, if the organization has no such established annual accounting period, the "taxable year" of the organization means the calendar year.

Example (1). A creates a foundation in 1949 ostensibly for educational purposes. B, as trustee, accumulates the foundation's income from 1952 until 1955 and then uses a substantial part of this accumulated income to send A's children to college. The foundation would lose its exemption for the taxable years 1952 through 1955 and for subsequent taxable years until it regains its exempt status.

Example (2). If under the facts in example (1) such private benefit was the purpose of the foundation from its inception, such foundation is not exempt by reason of the general provisions of section 101 (6) and without regard to the provisions of section 3813 for all years since its inception, that is, for the taxable years 1949 through 1955 and subsequent taxable years, since under section 101 (6) the organization must be organized and operated exclusively for exempt purposes. (See § 29.101 (6)–1. See also § 29.3814–1 for loss of exemption in the case of certain organizations accumulating income.)

§ 29.3813–2 *Future status of organization denied exemption.* Any organization denied exemption under section 101 (6) by reason of the provisions of section 3813 (c) may file, in any taxable year following the taxable year in which notice of denial of exemption was issued, a claim for exemption with the collector for the district in which is located the principal place of business or principal office of the organization. Form 1023, the exemption application, a copy of which may be obtained from any collector, shall be used for this purpose. The claim must contain or have attached to it, in addition to the information generally required of an organization claiming exemption under section 101 (6), an affidavit, by a principal officer of such organization authorized to make such affidavit, that the organization will not knowingly again engage in a prohibited transaction. See § 29.101–2 for proof of exemption requirements in general.

If the Commissioner is satisfied that such organization will not knowingly again engage in a prohibited transaction and that the organization also satisfies all other requirements under section 101 (6), he shall so notify the organization in writing. In such case the organization will be exempt (subject to the provisions of sections 101 (6), 3813 and 3814) with respect to the taxable years subsequent to the taxable year in which such claim is filed. Section 3813 contemplates that an organization denied exemption because of the terms of such section will be subject to taxation for at least one full taxable year. For the purpose of this section, the term "taxable year" means the established annual accounting period of the organization; or, if the organization has no such established annual accounting period, the "taxable year" of the organization means the calendar year.

§ 29.3813–3 *Disallowance of certain charitable, etc., deductions.* No gift or contribution made on or after January 1, 1951, which would otherwise be allowable as a charitable or other deduction under section 23 (o) (2), 23 (q) (2), 162 (a) (1), or 505 (a) (2), shall be allowed as a deduction if made to an organization which at the time the gift or contribution is made is not exempt under section 101 (6) by reason of the provisions of section 3813.

If an organization, which receives a gift or contribution made after December 31, 1950, is not exempt under section 101 (6) because it engaged in a prohibited transaction involving a substantial part of its income or corpus with the purpose of diverting its income or corpus from its exempt purposes, and if the taxable year of the organization during which such gift is made begins after December 31, 1950, and is the same as, or is prior to, the taxable year of the organization in which such transaction occurred, then a deduction by the donor of the gift with respect to such gift shall not be disallowed under the preceding paragraph unless the donor (or any member of his family if the donor is an individual) is a party to such prohibited transaction. For the purpose of the preceding sentence, the members of an individual donor's family include only his brothers and sisters, whether by whole or half blood, spouse, ancestors, and lineal descendants.

Example. In 1954, corporation A, which files its returns on the calendar year basis, creates a foundation purportedly for charitable purposes and deducts from its gross income for that year the amount of a gift to the foundation. Corporation A makes additional gifts to this foundation in 1955, 1956, and 1957, and takes a charitable deduction in each year. B, an individual, also contributes to the foundation in 1956 and 1957, and takes a charitable deduction in each year. In 1956 the foundation purposely diverts a large part of its corpus to the benefit of corporation A. For the year 1957, both corporation A and individual B would be disallowed any deduction for their contributions to the foundation. Moreover, the charitable deductions taken by corporation A for contributions to the foundation in the years 1954, 1955, and 1956, would also be disallowed since corporation A was a party to the prohibited transaction.

SEC. 331. EXEMPTION OF CERTAIN ORGANIZATIONS UNDER SECTION 101 (6) AND DEDUCTIBILITY OF CONTRIBUTIONS MADE TO SUCH ORGANIZATIONS (REVENUE ACT OF 1950, APPROVED SEPTEMBER 23, 1950).

Chapter 38 is hereby amended by inserting at the end thereof the following new sections:

* * * * *

SEC. 3814. DENIAL OF EXEMPTION UNDER SECTION 101 (6) IN THE CASE OF CERTAIN ORGANIZATIONS ACCUMULATING INCOME.

In the case of any organization described in section 101 (6) to which section 3813 is applicable, if the amounts accumulated out of income during the taxable year or any prior taxable year and not actually paid out by the end of the taxable year—

(1) Are unreasonable in amount or duration in order to carry out the charitable, educational, or other purpose or function constituting the basis for such organization's exemption under section 101 (6); or

(2) Are used to a substantial degree for purposes or functions other than those constituting the basis for such organization's exemption under section 101 (6); or

(3) Are invested in such a manner as to jeopardize the carrying out of the charitable, educational, or other purpose or function constituting the basis for such organization's exemption under section 101 (6),

exemption under section 101 (6) shall be denied for the taxable year.

* * * * *

SEC. 333. EFFECTIVE DATES (REVENUE ACT OF 1950, APPROVED SEPTEMBER 23, 1950).

* * * section 3814 of the Internal Revenue Code, added by section 331 of this Act, shall apply with respect to taxable years beginning after December 31, 1950, * * *.

§ 29.3814–1 *Denial of exemption under section 101 (6) in the case of certain organizations accumulating income.* The restrictions enumerated in section 3814 are in addition to and not in limitation of the restrictions contained in section 101 (6). Even though an organization has not violated any of the terms of section 3814, it still may not qualify for tax exemption in view of the general provisions of section 101 (6). Thus, if a trustee or other fiduciary of the organization (whether or not he is also a creator of such organization) enters into a transaction with the organization, such transaction will be closely scrutinized in

the light of the fiduciary principle requiring undivided loyalty to ascertain whether the organization is in fact being operated for the stated exempt purposes.

For any taxable year beginning after December 31, 1950, any organization described in section 101 (6) other than an organization described in section 3813 (a) (1) through (5), inclusive, shall not be exempt under section 101 (6) if the amounts accumulated out of income during the taxable year, or any prior taxable year (including taxable years beginning prior to January 1, 1951), and not actually paid out for exempt purposes by the end of the taxable year, are unreasonable. Amounts accumulated out of income become unreasonable when more income is accumulated than is needed, or when the duration of the accumulation is longer than is needed, in order to carry out the purpose constituting the basis for the organization's exemption. Furthermore, an organization shall not be exempt under section 101 (6) if amounts accumulated out of income are used to a substantial degree for purposes or functions other than those constituting the basis for the organization's exemption, or if such amounts are invested in such a manner as to jeopardize the carrying out of the purpose or function constituting the basis for the organization's exemption.

For the purpose of section 3814, the term "income" means gains, profits, and income determined under the principles applicable in determining the earnings or profits of a corporation. The amount accumulated out of income during the taxable year or any prior taxable year shall be determined under the principles applicable in determining the accumulated earnings or profits of a corporation.

Whether the conditions specified in paragraphs (1), (2) and (3) of section 3814 are present in any case must be determined from all the facts. The conditions specified in section 3814 (1), (2) and (3) may result from the use of only one organization or of a chain of two or more organizations.

An organization that has lost its exempt status by reason of the provisions of section 3814 may, in order to reestablish its exemption, file a claim for exemption with the collector for the district in which is located the principal place of business or principal office of the organization. Form 1023, the exemption application, a copy of which may be obtained from any collector, shall be used for this purpose. The claim for exemption must contain or be accompanied by information or evidence showing that the circumstances that caused the loss of exemption under section 3814 no longer exist, and an affidavit, by a principal officer of such organization authorized to make such affidavit, that the organization will not knowingly again violate the terms of section 3814. See § 29.101–2 for proof of exemption requirements in general. The provisions of section 3814 contemplate that an organization denied exemption thereunder will be subject to taxation for at least one full taxable year. For the purpose of this section, the term "taxable year" means the established annual accounting period of the organization; or, if the organization has no such established annual accounting period, the "taxable year" of the organization means the calendar year.

[F. R. Doc. 52–31; Filed, Jan. 2, 1952; 8:52 a. m.]

[26 CFR Part 81]

ESTATE TAX; VALUATION OF PROPERTY: ANNUITIES, LIFE ESTATES, REMAINDERS, AND REVERSIONS

NOTICE OF PROPOSED RULE MAKING

Notice is hereby given, pursuant to the Administrative Procedure Act, approved June 11, 1946, that the regulations set forth below are proposed to be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury. Prior to the final adoption of such regulations, consideration will be given to any data, views, or arguments pertaining thereto which are submitted in writing in duplicate to the Commissioner of Internal Revenue, Washington 25, D. C., within the period of 30 days from the date of publication of this notice in the FEDERAL REGISTER. The proposed regulations are to be issued under the authority of section 3791 of the Internal Revenue Code (53 Stat. 467; 26 U. S. C. 3791).

[SEAL] JOHN B. DUNLAP,
Commissioner of Internal Revenue.

Regulations 105 (26 CFR Part 81) are amended as follows:

PARAGRAPH 1: Section 81.10, as amended by Treasury Decision 5351, approved March 27, 1944, is further amended as follows:

(A) By amending paragraph (i) thereof to read as follows:

(i) *Annuities, life estates, remainders, and reversions; estates of decedents dying after December 31, 1951*—(1) *In general.* The value of an annuity contract, or an insurance policy on the life of a person other than the decedent, issued by a company regularly engaged in the selling of contracts of that character is established through the sale by that company of comparable contracts. See § 86.19 (i) of Regulations 108, relating to the gift tax. As to insurance on the life of the decedent, see § 81.28. Except with respect to the aforementioned annuity contracts and insurance policies, the values of annuities, life estates, remainders, and reversions are to be computed by the methods hereinafter prescribed in this paragraph. The present worth of such an interest which is dependent upon the continuation of, or termination of the life of one person or upon a term-certain is to be computed with the use of Table I or Table II of this section. If the interest to be valued is dependent upon more than one life or there is a term-certain concurrent with one or more lives see subparagraph (5) of this paragraph. For the purpose of the computation, the age of a person is to be taken as the age of that person at his nearest birthday. If the executor adopts the option set forth in section 811 (j) see § 81.11.

(2) *Annuities*—(i) *Payable annually at end of year.* If the annuity is payable annually at the end of each year during the life of an individual, the amount payable annually should be multiplied by the figure in column 2 of Table I opposite the number of years in column 1 nearest the age of the individual whose life measures the duration of the annuity, or if payable for a definite number of years the amount payable annually should be multiplied by the figure in column 2 of Table II opposite the number of years in column 1.

Example (1). The decedent received under the terms of his father's will an annuity of $10,000 a year payable annually for the life of his elder brother. At the time he died, an annual payment had just been made. The brother at the decedent's death was 40 years 8 months old. By reference to Table I, the figure in column 2 opposite 41 years, the number nearest to the brother's actual age, is found to be 17.6853. The present worth of the annuity at the date of the decedent's death is, therefore, $176,853 ($10,000 multiplied by 17.6853).

Example (2). The decedent was entitled to receive an annuity of $10,000 a year payable at the end of annual periods throughout a term-certain. At the time he died, an annual payment had just been made and five more annual payments were still to be made. By reference to Table II, it is found that the figure in column 2 opposite 5 years is 4.5151. The present worth of the annuity is, therefore, $45,151 ($10,000 multiplied by 4.5151).

(ii) *Payable at end of semiannual, quarterly, monthly, or weekly periods.* If the annuity is payable at the end of semiannual, quarterly, monthly, or weekly periods, the value should be determined by multiplying the aggregate amount to be paid within a year by the figure in column 2 of Table I opposite the number of years in column 1 nearest the actual age of the person whose life measures the duration of the annuity, or the figure in column 2 of Table II opposite the number of years the annuity is payable, as the case may be, and then multiplying the product by 1.0171 for weekly payments, by 1.0159 for monthly payments, by 1.0130 for quarterly payments, or by 1.0087 for semiannual payments.

Example. If, in example (1) given above under subdivision (i), the annuity is payable semiannually, the aggregate annual amount, $10,000, should be multiplied by the factor 17.6853, and the product multiplied by 1.0087. The present worth of the annuity at the date of death is, therefore, $178,391.62 ($10,000 × 17.6853 × 1.0087).

(iii) *Payable at beginning of annual, semiannual, quarterly, monthly, or weekly periods.* (a) If the first payment of an annuity for the life of an individual is to be paid at once, the value of the annuity is the sum of the first payment plus the present worth of a similar annuity, the first payment of which is not to be made until the end of the first period.

Example. The decedent was entitled to receive an annuity of $50 a month payable during the life of another. The decedent died on the day a payment was due. At the date of the decedent's death the person whose life measures the duration of the annuity was 50 years of age. The value of the

annuity at the date of decedent's death is $50 plus the product of $50×12×14.8486 (see Table I)×1.0159, or $9,100.82.

(b) If the first payment of an annuity for a definite number of years is to be paid at once, the applicable factor is the product of the factor shown in Table II multiplied by 1.0177 for weekly payments, by 1.0189 for monthly payments, by 1.0218 for quarterly payments, by 1.0262 for semiannual payments, or by 1.0350 for annual payments.

Example. The decedent was the beneficiary of an annuity of $50 a month. On the day a payment was due, the decedent died. There were 300 payments to be made, including the payment due. The value of the annuity as of the date of decedent's death is the product of $50×12×16.4815 (see Table II)×1.0189, or $10,075.80.

(3) *Life estates and terms for years.* If the interest to be valued consists of the right of a person for his life, or for the life of another person, or for a term of years, either to receive the income of certain property or to use nonincome-producing property, the value of the interest is the value of the property less the present worth of the remainder computed as shown under subparagraph (4) of this paragraph.

Example. The decedent was entitled to receive the income from a fund of $50,000 during the life of a person 31 years old. The value of the life estate is $50,000 less $14,466 (computed as shown in the example under subparagraph (4) of this paragraph), or $35,534.

(4) *Remainders or reversionary interests.* If the decedent had a remainder or a reversionary interest in property subject to the life estate of another, the present worth of such interest should be obtained by multiplying the value of the property by the figure in column 3 of Table I opposite the number of years nearest to the actual age of the life tenant. In case the remainder or reversion is to take effect at the end of a term of years Table II should be used.

Example. The decedent was entitled to receive property worth $50,000 upon the death of his elder brother, to whom the income for life had been bequeathed. The brother at the time of the decedent's death was 31 years 5 months old. By reference to Table I, it is found that the figure in column 3, opposite 31 years, is 0.28932. The present worth of the remainder interest at the date of death is, therefore, $14,466 ($50,000 multiplied by 0.28932).

(5) *Actuarial computations by Bureau.* If the interest to be valued is dependent upon the continuation of, or termination of more than one life, or there is a term-certain concurrent with one or more lives a special factor is necessary. Such factor is to be computed upon the basis of the Makehamized mortality table appearing as Table 38 of United States Life Tables and Actuarial Tables 1939–1941, published by the United States Department of Commerce, Bureau of the Census, and interest at the rate of 3½ percent a year, compounded annually. Many such factors may be found in, or readily computed with the use of the tables contained in a pamphlet entitled "Actuarial Values for Estate and Gift Tax," which may be purchased from the Superintendent of Documents, United States Government Printing Office, Washington 25, D. C.; or a case requiring a special factor (provided the case is that of an actual decedent and not merely proposed or hypothetical) may be stated to the Commissioner who will furnish such factor. The request must be accompanied by a statement of the date of birth of each person, the duration of whose life may affect the value of the interest, and by copies of the relevant instruments.

TABLE I—TABLE, SINGLE LIFE, 3½ PERCENT, SHOWING THE PRESENT WORTH OF AN ANNUITY, OR A LIFE INTEREST, AND OF A REMAINDER INTEREST

1 Age	2 Annuity	3 Remainder	1 Age	2 Annuity	3 Remainder
0	23.9685	0.10110	53	13.8221	0.51623
1	24.9035	.12838	54	13.4734	.52343
2	24.8220	.12878	55	13.1218	.54974
3	24.8246	.13114	56	12.7669	.55312
4	24.7378	.13418	57	12.4139	.55223
5	24.6332	.13763	58	12.0546	.57699
6	24.5220	.14126	59	11.6950	.59064
7	24.4188	.14534	60	11.3329	.60021
8	24.2982	.14956	61	10.9776	.61978
9	24.1713	.15400	62	10.6180	.63535
10	24.0387	.15865	63	10.2501	.64989
11	23.9008	.16347	64	9.9000	.66337
12	23.7600	.16840	65	9.5456	.67580
13	23.6161	.17344	66	9.1950	.67814
14	23.4693	.17857	67	8.8464	.69033
15	23.3194	.18382	68	8.5001	.70230
16	23.1655	.18917	69	8.1578	.71448
17	23.0103	.19464	70	7.8200	.72690
18	22.8511	.20021	71	7.4871	.73955
19	22.6870	.20596	72	7.1597	.74941
20	22.5179	.21187	73	6.8382	.76000
21	22.3438	.21797	74	6.5231	.77130
22	22.1646	.22424	75	6.2148	.78248
23	21.9801	.23070	76	5.9137	.79322
24	21.7902	.23734	77	5.6201	.80360
25	21.5950	.24418	78	5.3345	.81359
26	21.3942	.25120	79	5.0572	.82320
27	21.1878	.25843	80	4.7884	.83241
28	20.9759	.26584	81	4.5283	.84121
29	20.7581	.27347	82	4.2771	.84960
30	20.5345	.28129	83	4.0351	.85757
31	20.3052	.28932	84	3.8023	.86512
32	20.0699	.29755	85	3.5789	.87224
33	19.8288	.30599	86	3.3648	.87893
34	19.5816	.31464	87	3.1601	.88519
35	19.3285	.32350	88	2.9648	.89103
36	19.0695	.33257	89	2.7788	.89644
37	18.8044	.34185	90	2.6019	.90143
38	18.5334	.35133	91	2.4342	.90599
39	18.2566	.36102	92	2.2754	.91013
40	17.9738	.37092	93	2.1254	.91384
41	17.6853	.38101	94	1.9839	.91713
42	17.3911	.39131	95	1.8507	.92000
43	17.0913	.40180	96	1.7256	.92247
44	16.7860	.41249	97	1.6082	.92471
45	16.4754	.42338	98	1.4982	.92753
46	16.1596	.43441	99	1.3949	.93118
47	15.8388	.44564	100	1.2973	.93423
48	15.5133	.45703	101	1.2053	.93723
49	15.1831	.46859	102	1.1076	.94123
50	14.8486	.48030	103	.9973	.94609
51	14.5101	.49215	104	.8918	.97099
52	14.1678	.50413	105	.4831	.95203

TABLE II—TABLE SHOWING THE PRESENT WORTH AT 3½ PERCENT OF AN ANNUITY FOR A TERM-CERTAIN, AND OF A REMAINDER INTEREST POSTPONED FOR A TERM-CERTAIN

1 Number of years	2 Annuity	3 Remainder	1 Number of years	2 Annuity	3 Remainder
1	0.9662	0.000184	16	12.0941	0.577703
2	1.8937	.003311	17	12.6513	.577294
3	2.8016	.001943	18	13.1897	.588021
4	3.6731	.871442	19	13.7093	.590150
5	4.5161	.841973	20	14.2124	.602563
6	5.3286	.813501	21	14.6990	.452671
7	6.1145	.786991	22	15.1671	.462161
8	6.8740	.761412	23	15.6204	.472283
9	7.6077	.736731	24	16.0584	.437897
10	8.3165	.703919	25	16.4815	.423147
11	9.0016	.684940	26	16.8904	.408863
12	9.6633	.661763	27	17.2854	.395012
13	10.3027	.639404	28	17.6670	.381564
14	10.9205	.617782	29	18.0353	.368743
15	11.5174	.596891	30	18.3920	.356278

(B) By inserting after paragraph (i) but before Table A the following:

(j) *Annuities, life estates, remainders, and reversions; estates of decedents dying before January 1, 1952.* In the case of decedents dying before January 1, 1952, the general principles and methods prescribed in paragraph (i) of this section (with one exception set forth in the next paragraph) are to be followed but the present worth of the interest to be valued is to be computed with the use of Table A or Table B (which appear at the end of this section) and if neither table is applicable the computation is to be made upon the basis of the Actuaries' or Combined Experience Table of Mortality, as extended, and interest at the rate of 4 percent a year, compounded annually. In the computation of the value of annuities the factors 1.01820 for monthly payments, 1.01488 for quarterly payments, and 1.00990 for semiannual payments are to be substituted for the factors appearing in paragraph (i) (2) (ii) of this section; and the factors 1.02154 for monthly payments, 1.02488 for quarterly payments, 1.02990 for semiannual payments, and 1.04 for annual payments are to be substituted for the factors appearing in paragraph (i) (2) (iii) of this section.

The present worth of a life estate or term for years in specific property is to be obtained by multiplying the appropriate factor from column 2 of Table A or Table B by 0.04 and multplying the product by the value of the property. A provision for the payment of income in semiannual, quarterly, or monthly installments does not affect the value of the life interest.

PAR. 2. Section 81.11, as amended by Treasury Decision 5699, approved May 13, 1949, is further amended by striking therefrom paragraphs (i) and (j) (beginning with the words "The date of valuation of any property" and ending with the parenthetical expression which follows the example in paragraph (j)) and inserting in lieu thereof the following:

(i) It is provided in paragraph (j) of this section that any interest or estate so affected shall be included at its value at the date of death with adjustment for any difference in its value as of the later date not due to mere lapse of time. The purpose of this provision is to eliminate from the value as of the optional date changes in value due to lapse of time. Accordingly, the values of annuities, life, remainder, and reversionary interests are to be obtained by applying the methods prescribed in § 81.10 (i) (or § 81.10 (j), if applicable), using the age of each person, the duration of whose life may affect the value of the interest, as of the date of death and the value of the property as of the optional date. For example, a decedent was entitled to receive property (which at the time of his death was worth $50,000) upon the death of another person who was entitled to the income therefrom for life and who was 31 years old at the time of the decedent's death. The value at decedent's death of his remainder interest would, as ex-

plained in § 81.10 (i), be $14,466 ($50,000 multiplied by 0.28932). If, due to economic conditions, the property declined in value and was worth only $40,000 one year after the date of death, the value of the remainder interest as of the optional date would be $11,572.80 ($40,000 multiplied by 0.28932).

(j) As an example of the valuation of a patent, suppose that the decedent owned a patent which on the date of his death had an unexpired term of ten years and a value of $75,000 and that the patent was sold six months after the decedent's death, at which time, because of lapse of time and other causes its value was $60,000. The adjusted value thereof would be obtained by dividing $60,000 by 0.95 (ratio of the remaining life of the patent at the optional date to the remaining life of the patent at the date of death). The quotient, $63,157.89, is the optional value.

PAR. 3. Section 81.17, as amended by Treasury Decision 5834, approved March 8, 1951, is further amended as follows:

(A) By changing the third sentence of the fifth undesignated paragraph of paragraph (c) (1) thereof to read as follows: "See § 81.10 (i) or § 81.10 (j), whichever is applicable."

(B) By striking out the second sentence of the sixth undesignated paragraph of paragraph (c) (1) thereof.

PAR. 4. Section 81.20 is amended by changing the parenthetical expression which appears at the end of paragraph (d) to read as follows: "(See § 81.10 (i), or (j), whichever is applicable.)"

PAR. 5. Section 81.44, as amended by Treasury Decision 5351, is further amended by striking out paragraph (d) and inserting in lieu thereof the following:

(d) If a trust is created for both a charitable and a private purpose, deduction may be taken of the value of the beneficial interest in favor of the former only insofar as such interest is presently ascertainable, and hence severable from the interest in favor of the private use. The present value of deferred payments to be made for a charitable purpose is to be determined in accordance with the rules stated in § 81.10 (i) or (j), whichever is applicable. Thus, if money or property is placed in trust to pay the income to an individual during his life, or for a term of years, and then to pay the principal to a charitable corporation, the present value of the remainder is deductible. To determine the present value of such remainder use the appropriate factor from column 3 of Table I or II of § 81.10 (i), or of Table A or B of § 81.10 (j), whichever is applicable. If the interest involved is such that its value is to be determined by a special computation (see § 81.10 (i) (5) or § 81.10 (j)), a request for a specific factor accompanied by a statement of the date of birth of each person, the duration of whose life may affect the value of the remainder, and by copies of the relevant instruments may be submitted to the Commissioner who in his discretion may supply the factor requested. If the Commissioner does not furnish the factor, the claim for deduction must be supported by a full statement of the computation of the present worth made, in accordance with the principals set forth in the applicable paragraph of § 81.10, by one skilled in actuarial computations.

PAR. 6. Section 81.47c (d), added by Treasury Decision 5699, is amended to read as follows:

(d) *Remainder interests.* Where the income from property is made payable to another individual for life, or for a term of years, with remainder absolutely to the surviving spouse or to her estate, the marital deduction is based upon the present value of the remainder. The present value of the remainder is to be determined in accordance with the rules stated in § 81.10 (i) or (j), whichever is applicable. For example, if, in a case to which § 81.10 (i) applies, the surviving spouse is to receive $50,000 upon the death of a person aged 31 years, the present value of the remainder is $14,466. If the remainder is such that its value is to be determined by a special computation (see § 81.10 (i) (5) or § 81.10 (j)), a request for a specific factor accompanied by a statement of the date of birth of each person, the duration of whose life may affect the value of the remainder, and by copies of the relevant instruments may be submitted to the Commissioner who in his discretion may supply the factor requested. If the Commissioner does not furnish the factor, the claim for deduction must be supported by a full statement of the computation of the present worth made, in accordance with the principles set forth in the applicable paragraph of § 81.10, by one skilled in actuarial computations.

[F. R. Doc. 52-36; Filed, Jan. 2, 1952; 8:54 a. m.]

[26 CFR Part 86]

GIFT TAX; VALUATION OF PROPERTY: ANNUITIES, LIFE ESTATES, REMAINDERS, AND REVERSIONS

NOTICE OF PROPOSED RULE MAKING

Notice is hereby given, pursuant to the Administrative Procedure Act, approved June 11, 1946, that the regulations set forth below are proposed to be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury. Prior to the final adoption of such regulations, consideration will be given to any data, views, or arguments pertaining thereto which are submitted in writing in duplicate to the Commissioner of Internal Revenue, Washington 25, D. C., within the period of 30 days from the date of publication of this notice in the FEDERAL REGISTER. The proposed regulations are to be issued under the authority of sections 1029 and 3791 of the Internal Revenue Code (53 Stat. 157, 467; 26 U. S. C. 1029, 3791).

[SEAL] JOHN B. DUNLAP,
Commissioner of Internal Revenue.

Regulations 108 (26 CFR Part 86) are amended as follows:

PARAGRAPH 1. Section 86.2 (a), as amended by Treasury Decision 5698, approved May 13, 1949, is further amended by striking from the example numbered (7) the words "such property valued as provided in § 86.19 (g)." and inserting in lieu thereof the following: "the value of such property less the value of his retained interest therein, valued in accordance with the provisions of § 86.19 (f) or (g), whichever is applicable."

PAR. 2. Section 86.11 is amended by changing the last sentence thereof to read as follows: "For the valuation of future interests, see § 86.19 (f) or (g), whichever is applicable.

PAR. 3. Section 86.13 is amended by changing the last sentence of paragraph (d) thereof to read as follows: "To determine the value of such remainder as of the date of gift, the value of the property transferred should be multiplied by the appropriate factor from column 3 of Table I or Table II of § 86.19 (or from Table A or Table B, if applicable)."

PAR. 4. Section 86.16a (c), added by Treasury Decision 5698, is amended to read as follows:

(c) *Remainder interests.* Where the income from property is made payable to the donor or another individual for life, or for a term of years, with remainder absolutely to the donor's spouse or to her estate, the marital deduction is equal to one-half the present value of the remainder. It should be noted, however, that where such remainder is distributable to the estate of the donor's spouse (or to her executors or administrators) in the event of her death prior to the termination of a trust or of a precedent interest, the marital deduction is allowable only if under such circumstances the remainder interest would be includible in her gross estate under section 811 (a). The present value of the remainder (that is, its value as of the date of gift) is to be determined in accordance with the rules stated in § 86.19 (f) (or § 86.19 (g), if applicable). For example, in a case to which § 86.19 (f) is applicable, if the donor's spouse is to receive $50,000 upon the death of a person aged 31 years, the present value of the remainder is $14,466. (See example in § 86.19 (f) (4)). If the remainder is such that its value is to be determined by a special computation (see § 86.19 (f) (5)), a request for a specific factor accompanied by a statement of the date of birth of each person, the duration of whose life may affect the value of the remainder, and by copies of the relevant instruments may be submitted to the Commissioner who in his discretion may supply the factor requested. If the Commissioner does not furnish the factor, the claim for deduction must be supported by a full statement of the computation of the present worth made, in accordance with the principles set forth in § 86.19 (f) (or § 86.19 (g), if applicable), by one skilled in actuarial computations.

PAR. 5. Section 86.19 is amended as follows:

(A) By changing paragraph (f) thereof to read as follows:

(f) *Annuities, life estates, remainders, and reversions; gifts made after December 31, 1951*—(1) *In general.* Annuities

purchased from life insurance companies, or other companies regularly engaged in issuing annuity contracts, and life insurance policies are to be valued as explained in paragraph (1) of this section. Except with respect to the afore-mentioned annuity contracts and insurance policies, the values of annuities, life estates, remainders, and reversions are to be computed by the methods hereinafter prescribed in this paragraph. Where the donor transfers property in trust or otherwise and retains an interest therein, the value of the gift is the value of the property transferred less the value of the donor's retained interest. Where the donor assigns or relinquishes an annuity, life estate, remainder, or reversion which he holds by virtue of a transfer previously made by himself or another, the value of the gift is the value of the interest transferred. In either case the present worth of the interest to be valued is to be computed with the use of Table I or Table II of this paragraph if it is dependent upon the continuation of, or termination of the life of one person or upon a term-certain. If such interest is dependent upon more than one life or there is a term-certain concurrent with one or more lives, see subparagraph (5) of this paragraph. For the purpose of the computation the age of a person is to be taken as the age of that person at his nearest birthday.

(2) *Annuities*—(i) *Payable annually at end of year.* If the annuity is payable annually at the end of each year during the life of an individual, the amount payable annually should be multiplied by the figure in column 2 of Table I opposite the number of years in column 1 nearest the age of the individual whose life measures the duration of the annuity, or if payable for a definite number of years the amount payable annually should be multiplied by the figure in column 2 of Table II opposite the number of years in column 1.

Example (1). The donor assigns an annuity of $10,000 a year payable annually during his life immediately after an annual payment has been made. The age of the donor on the date of assignment is 40 years and 8 months. By reference to Table I, it is found that the figure in column 2 opposite 41 years, the number nearest to the donor's age, is 17.6853. The value of the gift is, therefore, $176,853 ($10,000 multiplied by 17.6853).

Example (2). The donor was entitled to receive an annuity of $10,000 a year payable at the end of annual periods throughout a term of 20 years; the donor, when 15 years have elapsed, makes a gift thereof to his son. By reference to Table II, it is found that the figure in column 2 opposite 5 years, the unexpired portion of the 20-year period, is 4.5151. The present worth of the annuity is, therefore, $45,151 ($10,000 multiplied by 4.5151).

(ii) *Payable at end of semiannual, quarterly, monthly, or weekly periods.* If the annuity is payable at the end of semiannual, quarterly, monthly, or weekly periods, the value should be determined by multiplying the aggregate amount to be paid within a year by the figure in column 2 of Table I opposite the number of years in column 1 nearest the actual age of the person whose life measures the annuity, or the figure in column 2 of Table II opposite the number of years the annuity is payable, as the case may be, and then multiplying the product by 1.0171 for weekly payments, by 1.0159 for monthly payments, by 1.0130 for quarterly payments, or by 1.0087 for semiannual payments.

Example. If, in example (1) given above under subdivision (i) the annuity is payable semiannually, the aggregate annual amount, $10,000, should be multiplied by the factor 17.6853, and the product multiplied by 1.0087. The value of the gift is, therefore, $178,391.62 ($10,000×17.6853×1.0087).

(iii) *Payable at beginning of annual, semiannual, quarterly, monthly, or weekly periods.* (a) If the first payment of an annuity for the life of an individual is to be paid at once, the value of the annuity is the sum of the first payment plus the present worth of a similar annuity, the first payment of which is not to be made until the end of the first period.

Example. The donee is made the beneficiary for life of an annuity of $50 a month from the income of a trust, subject to the right reserved by the donor to cause the annuity to be paid for his own benefit or for the benefit of another. On the day a payment is due, the donor relinquishes his reserved power. The donee is then 50 years of age. The value of the gift is $50 plus the product of $50×12×14.8480 (see Table I)×1.0159, or $9,100.82.

(b) If the first payment of an annuity for a definite number of years is to be paid at once, the applicable factor is the product of the factor shown in Table II multiplied by 1.0177 for weekly payments, by 1.0189 for monthly payments, by 1.0218 for quarterly payments, by 1.0262 for semiannual payments, or by 1.0350 for annual payments.

Example. The donee is the beneficiary of an annuity of $50 a month subject to a reserved right in the donor to cause the annuity or the cash value thereof to be paid for his own benefit or the benefit of another. On the day a payment is due, the donor relinquishes the power. There are 300 payments to be made covering a period of 25 years, including the payment due. The value of the gift is the product of $50×12×16.4815 (factor for 25 years, Table II)×1.0189, or $10,075.80.

(3) *Life estates and terms for years.* If the interest to be valued consists of the right of a person for his life, or for the life of another person, or for a term of years, either to receive the income of certain property or to use nonincome-producing property, the value of the interest is the value of the property less the present worth of the remainder, computed as shown under subparagraph (4) of this paragraph.

Example. The donor, who is entitled to receive the income from property worth $50,000 during his life, makes a gift of such interest. The donor is 31 years old on the date of gift. The value of the gift is $50,000 less $14,466 (computed as shown in the example under subparagraph (4) of this paragraph), or $35,534.

(4) *Remainders or reversionary interests.* If the interest to be valued is a remainder or reversionary interest subject to a life estate, the value of the interest should be obtained by multiplying the value of the property at the date of the gift by the figure in column 3 of Table I opposite the number of years nearest the age of the life tenant. In case the remainder or reversion is to take effect at the end of a term of years, Table II should be used.

Example. The donor transfers by gift property worth $50,000 which he is entitled to receive upon the death of his brother, to whom the income for life has been bequeathed. The brother at the date of gift is 31 years of age. By reference to Table I, it is found that the figure in column 3 opposite 31 years is 0.28932. The value of the gift is, therefore, $14,466 ($50,000×0.28932).

(5) *Actuarial calculations by Bureau.* If the interest to be valued is dependent upon the continuation of, or termination of more than one life, or there is a term-certain concurrent with one or more lives, or if the retained interest of the donor is conditioned upon survivorship, a special factor is necessary. Such factor is to be computed upon the basis of the Makehamized mortality table appearing as Table 38 of United States Life Tables and Actuarial Tables 1939–1941, published by the United States Department of Commerce, Bureau of the Census, and interest at the rate of 3½ percent a year, compounded annually. Many such factors may be found in, or readily computed with the use of the tables contained in a pamphlet entitled "Actuarial Values for Estate and Gift Tax," which may be purchased from the Superintendent of Documents, United States Government Printing Office, Washington 25, D. C.; or a case requiring a special factor (provided the gift is completed and not merely proposed or hypothetical) may be stated to the Commissioner who will furnish such factor. The request must be accompanied by a statement of the date of birth of each person, the duration of whose life may affect the value of the interest, and by copies of the relevant instruments.

TABLE I—TABLE, SINGLE LIFE, 3½ PERCENT, SHOWING THE PRESENT WORTH OF AN ANNUITY, OR A LIFE INTEREST, AND OF A REMAINDER INTEREST

1 Age	2 Annuity	3 Remainder	1 Age	2 Annuity	3 Remainder
0	23.9635	0.16110	34	19.5316	0.31464
1	24.0035	.12933	35	19.3235	.32350
2	24.0020	.12878	36	19.0995	.33257
3	24.8215	.13114	37	18.8044	.34135
4	24.7378	.12118	38	18.5334	.35133
5	24.6092	.15763	39	18.2566	.36102
6	24.4939	.14129	40	17.9733	.37092
7	24.4193	.14224	41	17.6853	.38101
8	24.2982	.14936	42	17.3911	.39131
9	24.1713	.15990	43	17.0913	.40180
10	24.0357	.16805	44	16.7860	.41249
11	23.9006	.16347	45	16.4754	.42336
12	23.7000	.16849	46	16.1596	.43441
13	23.6161	.17244	47	15.8383	.44564
14	23.4203	.17857	48	15.5123	.45703
15	23.3184	.18362	49	15.1831	.46859
16	23.1665	.18917	50	14.8436	.48030
17	23.0163	.19464	51	14.5101	.49215
18	22.8511	.20021	52	14.1678	.50413
19	22.6870	.20596	53	13.8221	.51623
20	22.5179	.21157	54	13.4734	.52843
21	22.3433	.21797	55	13.1218	.54074
22	22.1645	.22424	56	12.7679	.55312
23	21.9801	.23070	57	12.4120	.56553
24	21.7902	.23724	58	12.0546	.57809
25	21.5950	.24418	59	11.6960	.59064
26	21.3942	.25120	60	11.3369	.60321
27	21.1878	.25843	61	10.9776	.61578
28	20.9779	.26584	62	10.6185	.62835
29	20.7581	.27347	63	10.2604	.64089
30	20.5245	.28129	64	9.9035	.65337
31	20.2872	.28932	65	9.5485	.66580
32	20.0359	.29755	66	9.1970	.67814
33	19.8223	.30599	67	8.8494	.69023

TABLE I—TABLE, SINGLE LIFE, 3½ PERCENT, SHOWING THE PRESENT WORTH OF AN ANNUITY, OR A LIFE INTEREST, AND OF A REMAINDER INTEREST

1 Age	2 Annuity	3 Remainder	1 Age	2 Annuity	3 Remainder
68	8.5001	0.70250	87	3.1601	0.88940
69	8.1578	.71448	88	2.9648	.89623
70	7.8200	.72630	89	2.7788	.90274
71	7.4871	.73795	90	2.6019	.90893
72	7.1597	.74941	91	2.4342	.91480
73	6.8382	.76066	92	2.2754	.92036
74	6.5231	.77169	93	2.1254	.92561
75	6.2148	.78248	94	1.9839	.93056
76	5.9137	.79302	95	1.8507	.93523
77	5.6201	.80330	96	1.7256	.93960
78	5.3345	.81329	97	1.6082	.94371
79	5.0572	.82300	98	1.4982	.94756
80	4.7884	.83241	99	1.3949	.95118
81	4.5283	.84151	100	1.2973	.95459
82	4.2771	.85030	101	1.2033	.95788
83	4.0351	.85877	102	1.1078	.96123
84	3.8023	.86692	103	.9973	.96509
85	3.5789	.87474	104	.8318	.97089
86	3.3648	.88223	105	.4831	.98309

TABLE II—TABLE SHOWING THE PRESENT WORTH AT 3½ PERCENT OF AN ANNUITY FOR A TERM-CERTAIN, AND OF A REMAINDER INTEREST POSTPONED FOR A TERM-CERTAIN.

1 Number of years	2 Annuity	3 Remainder	1 Number of years	2 Annuity	3 Remainder
1	0.9662	0.966184	16	12.0941	0.576706
2	1.8997	.933511	17	12.6513	.557204
3	2.8016	.901943	18	13.1897	.538361
4	3.6731	.871442	19	13.7098	.520156
5	4.5151	.841973	20	14.2124	.502566
6	5.3286	.813501	21	14.6980	.485571
7	6.1145	.785991	22	15.1671	.469151
8	6.8740	.759412	23	15.6204	.453286
9	7.6077	.733731	24	16.0584	.437957
10	8.3166	.708919	25	16.4815	.423147
11	9.0016	.684946	26	16.8904	.408838
12	9.6633	.661783	27	17.2854	.395012
13	10.3027	.639404	28	17.6670	.381654
14	10.9205	.617782	29	18.0358	.368748
15	11.5174	.596891	30	18.3920	.356278

(B) By amending paragraph (g) thereof to read as follows:

(g) *Annuities; life estates, remainders, and reversions; gifts made prior to January 1, 1952.* In the case of gifts made prior to January 1, 1952, the general principles and methods prescribed in paragraph (f) of this section (with one exception set forth in the next paragraph) are to be followed but the present worth of the interest to be valued is to be computed with the use of Table A or Table B (which appear at the end of this section) and if neither table is applicable the computation is to be made upon the basis of the Actuaries' or Combined Experience Table of Mortality, as extended, and interest at the rate of 4 percent a year, compounded annually. In the computation of the value of annuities the factors 1.01820 for monthly payments, 1.01488 for quarterly payments, and 1.00990 for semiannual payments are to be substituted for the factors appearing in paragraph (f) (2) (ii) of this section; and the factors 1.02154 for monthly payments, 1.02488 for quarterly payments, 1.02990 for semiannual payments, and 1.04 for annual payments are to be substituted for the factors appearing in paragraph (f) (2) (iii) of this section.

The present worth of a life estate or term for years in specific property is to be obtained by multiplying the appropriate factor from column 2 of Table A or Table B by 0.04 and multiplying the product by the value of the property. A provision for the payment of income in semiannual, quarterly, or monthly installments does not affect the value of the life interest.

(C) By striking from paragraph (h) thereof the last sentence of subparagraph (1) and all of subparagraph (2) and inserting in lieu thereof the following:

The value of each of such interests is to be computed upon the basis prescribed in paragraph (f) or (g) of this section, whichever is applicable.

(2) A case of this character (provided the gift is completed and not merely proposed or hypothetical) may be submitted to the Commissioner, who will advise the donor of the applicable factor.

[F. R. Doc. 52-35; Filed, Jan. 2, 1952; 8:54 a. m.]

[26 CFR Part 405]

COLLECTION OF INCOME TAX AT SOURCE ON WAGES

NOTICE OF PROPOSED RULE MAKING

Notice is hereby given, pursuant to the Administrative Procedure Act, approved June 11, 1946, that the regulations set forth below are proposed to be prescribed by the Commissioner of Internal Revenue, with the approval of the Secretary of the Treasury. Prior to the final adoption of such regulations, consideration will be given to any data, views, or arguments pertaining thereto which are submitted in writing in duplicate to the Commissioner of Internal Revenue, Washington 25, D. C., within the period of 30 days from the date of publication of this notice in the FEDERAL REGISTER. The proposed regulations are to be issued under the authority contained in section 1622 (k) of the Internal Revenue Code as added by section 203 of the Revenue Act of 1951 (Pub. Law 183, 82d Congress, approved October 20, 1951).

[SEAL] JOHN B. DUNLAP,
Commissioner of Internal Revenue.

In order to conform Regulations 116 (26 CFR Part 405) to section 203 of Title II of the Revenue Act of 1951, approved October 20, 1951, such regulations are hereby amended by inserting immediately after § 405.212 the following:

SEC. 203. ADDITIONAL WITHHOLDING OF TAX ON WAGES UPON AGREEMENT BY EMPLOYER AND EMPLOYEE (TITLE II, REVENUE ACT OF 1951, APPROVED OCTOBER 20, 1951).

Section 1622 (relating to income tax collected at source on wages) is hereby amended by adding at the end thereof the following new subsection:

(k) *Additional withholding.* The Secretary is authorized by regulations to provide, under such conditions and to such extent as he deems proper, for withholding in addition to that otherwise required under this section in cases in which the employer and the employee agree (in such form as the Secretary may by regulations prescribe) to such additional withholding. Such additional withholding shall for all purposes be considered tax required to be deducted and withheld under this subchapter.

SEC. 204. EFFECTIVE DATE (TITLE II, REVENUE ACT OF 1951, APPROVED OCTOBER 20, 1951).

The amendments made by this title shall be applicable only with respect to wages paid on or after November 1, 1951.

§ 405.213 *Additional withholding.* In addition to the tax required to be deducted and withheld in accordance with the provisions of section 1622 (a), the employer and employee may agree, with respect to wages paid on or after November 1, 1951, that an additional amount shall be withheld from the employee's wages. The agreement shall be in writing and shall be in such form as the employer may prescribe. The agreement shall be effective for such period as the employer and employee mutually agree upon, but shall be subject to termination by either the employer or the employee at the end of any payroll period by written notice given by one party to the other at least thirty days before the end of such payroll period.

The amount deducted and withheld pursuant to an agreement between the employer and employee shall be considered as tax required to be deducted and withheld under section 1622 (a). All provisions of law and regulations applicable with respect to the tax required to be deducted and withheld under section 1622 (a) shall be applicable with respect to any amount deducted and withheld pursuant to the agreement.

The amount deducted and withheld pursuant to an agreement under section 1622 (k) and the tax deducted and withheld under section 1622 (a) shall be added together and the sum thereof shall be shown on Form W-2 and on Form 941 as the Federal income tax withheld from wages.

[F. R. Doc. 52-32; Filed, Jan. 2, 1952; 8:53 a. m.]

DEPARTMENT OF AGRICULTURE

Production and Marketing Administration

[7 CFR Part 55]

SAMPLING, GRADING, GRADE LABELING, AND SUPERVISION OF PACKAGING OF EGGS AND EGG PRODUCTS

FORMS AND INSTRUCTIONS

Notice is hereby given that the Department is considering a revision to the instructions governing plants operating as official plants processing and packaging egg products, pursuant to regulations governing the sampling, grading, grade labeling, and supervision of packaging of eggs and egg products (7 CFR Part 55; 16 F. R. 10193) which were issued pursuant to the Department of Agriculture Appropriation Act, 1952 (Pub. Law 135, 82d Cong., approved Aug. 31, 1951).

This revision is necessary to provide a broader inspection service with respect to egg products. The revision anticipates the identification of all wholesome egg products prepared from raw material fit for human consumption; provides for inedible raw material and egg products to be denatured; prescribes the types of official identification which may be used on egg products produced under

the Department's supervision; and makes minor language changes in the instructions.

All persons who desire to submit written data, views, or arguments with respect to the proposed revision should file the same in duplicate, with the Chief of the Marketing Services Division, Poultry Branch, Production and Marketing Administration, U. S. Department of Agriculture, Washington 25, D. C., not later than 30 days after publication of this notice in the FEDERAL REGISTER.

The proposed revision is as follows:

§ 55.102 *Instructions governing plants operating as official plants processing and packaging egg products*—(a) *Definitions.* (1) "Regulations in this part" means the regulations governing the sampling, grading, grade labeling and supervision of packaging of eggs and egg products.

(2) "Egg products" means liquid eggs, frozen eggs, or dried eggs, liquid, frozen or dried egg whites, or liquid, frozen or dried egg yolks, prepared from shell eggs, with or without the addition of any other substance or ingredient.

(3) "Shell eggs" means shell eggs of domesticated chickens.

(4) "Regional supervisor" means any employee of the Department in charge of poultry grading service in a designated geographical area.

(5) "Sanitize" means to subject to an acceptable germicidal agent.

(6) All other terms which are used herein shall have the meaning applicable to such terms when used in the regulations in this part.

(b) *Plant surveys*—(1) *Initial survey.* When an application for continuous inspection in a plant has been filed, the regional supervisor serving the area in which the plant is located will make a survey and inspection of the premises and plant to determine whether the facilities and methods of operation therein are suitable and adequate for service in accordance with (i) the regulations in this part, (ii) the instructions and requirements contained in this section, and (iii) such further instructions and requirements based upon the aforesaid instructions which may hereafter be issued with respect to minimum requirements for facilities, operating procedures, and sanitation in egg breaking and egg drying plants and which are in effect at the time of the aforesaid survey and inspection.

(2) *Drawings and specifications to be furnished.* Four copies of drawings properly drawn to scale shall be submitted to the regional supervisor. The drawings shall consist of floor plans of space to be included in the official plant, the locations of such features as the principal pieces of equipment, floor drains, hand washing facilities, hose connections for clean-up purposes, and the cardinal points of the compass.

(i) The official plant shall include the breaking room, equipment washing and sanitizing rooms, shell egg washing room, shell egg storage rooms, toilet and dressing rooms, store rooms for supplies used in the operation under this service, and all other rooms, compartments, or passageways where products or any ingredients to be used in the preparation of products under this service will be handled or kept and may include other rooms located in the buildings comprising the official plant.

(ii) If rooms shown on the drawings are not to be included as part of the official plant, this should be clearly indicated thereon.

(iii) Specifications covering the height of ceilings, types of principal pieces of equipment, character of walls, floors, and ceilings, lighting, ventilation including intake and exhaust facilities, water supply and drainage, and such other notations as may be required shall accompany the drawings. Upon approval of the drawings and specifications the application for service may be approved.

(3) *Final survey and plant approval.* Prior to the inauguration of continuous inspection service, a final survey of the plant and premises shall be made by the regional supervisor or his assistant to determine if the plant is constructed and facilities are installed in accordance with the approved drawings and the regulations in this part. The plant may be approved only when these requirements have been met.

(c) *Suspension of plant approval.* (1) Any plant approval pursuant to the regulations in this part may be suspended for (i) failure to maintain plant and equipment in a satisfactory state of repair; (ii) the use of operating procedures which are not in accordance with the regulations and instructions set forth herein; or (iii) alterations of buildings, facilities, or equipment which cannot be approved in accordance with the aforesaid regulations and instructions.

(2) During such period of suspension, inspection service shall not be rendered. However, the other provisions of the contract for service will remain in effect unless terminated in accordance with the terms thereof. If the plant facilities or methods of operation are not brought into compliance within a reasonable period of time to be specified by the Administrator, the contract shall be terminated. Upon termination of any contract providing for inspection service in an official plant pursuant to the regulations, the plant approval shall also become terminated, and all labels, seals, tags or packaging material bearing official identification shall, under the supervision of a person designated by the Administration, either be destroyed, or the official identification completely obliterated, or sealed in a manner acceptable to the Administration.

(d) *Raw materials.* (1) Egg products which are to bear the inspection mark shall be processed in an official plant from edible shell eggs. The following categories of shell eggs and egg products may be used in egg products which are to bear the inspection mark: (i) Clean shell eggs, (ii) stained shell eggs, (iii) shell eggs with loose adhering dirt on the shells, provided that prior to processing, such eggs are properly cleaned or washed and dried in such a manner as will avoid contamination of the egg meat, (iv) shell eggs containing small blood spots, provided the blood spot is removed, and (v) other egg products which were processed in an official plant and which bear the inspection mark.

(2) Egg products may be produced in an official plant from edible shell eggs which are leakers or dirty checks or from shell eggs containing blood spots, provided such spots are removed. Eggs containing diffused blood in the albumen or on the yolk shall not be used and such eggs shall be discarded. None of such egg products shall, however, be identified with the inspection mark, but may bear an official identification of the design and wording set forth in paragraph (o) (2) of this section: *Provided,* That after freezing but prior to shipping, each container is drilled and inspected organoleptically and found to be in satisfactory condition by a grader of frozen eggs.

(3) Edible turkey, guinea, duck, and goose eggs may be processed in the official plant if such eggs are processed separately and properly labeled.

(4) Shell eggs or egg products which are not fit for human food shall be placed in a conspicuously marked container which contains a denaturant of such character as will prevent such products from being used as human food.

(e) *Premises and plant*—(1) *Building.* The building, or portion thereof, in which any egg processing operation is conducted, shall be maintained in a sanitary condition, including, but not being limited to, the following requirements:

(i) There shall be abundant light (whether natural or artificial, or both) which is well distributed, and sufficient ventilation for each room and compartment to insure sanitary and suitable processing and operating conditions.

(ii) There shall be an efficient drainage and plumbing system for the plant and premises. All drains and gutters shall be properly installed with approved traps and vents, and shall be maintained in good repair and in proper working order.

(iii) The water supply (both hot and cold) shall be ample, clean, and potable, with adequate facilities for its distribution throughout the plant, or portion thereof utilized for egg processing and handling operations, and for protection against contamination and pollution.

(iv) The floors, walls, ceilings, partitions, posts, doors, and other parts of all structures shall be of such materials, construction, and finish to permit their ready and thorough cleaning. The floors and curbing shall be watertight.

(v) Each room and each compartment in which any shell eggs or egg products are handled or processed shall be so designed and constructed as to insure processing and operating conditions of a clean and orderly character, free from objectionable odors and vapors, and maintained in a clean and sanitary condition.

(vi) Every practicable precaution shall be taken to exclude dogs, cats, and vermin (including, but not being limited to, rodents and insects) from the plant, or portion thereof utilized, as aforesaid, in which shell eggs or egg products are handled or stored. The use of poisons for any purpose in any room or compartment where any shell eggs or egg products are stored or handled is forbidden,

except under such restrictions and precautions as the Chief, or Acting Chief, of the Poultry Inspection and Grading Division of the Administration may prescribe.

(2) *Facilities.* Each plant shall be equipped with adequate sanitary facilities and accommodations, including, but not being limited to, the following:

(i) There shall be a sufficient number of adequately lighted dressing rooms and toilet rooms, ample in size, conveniently located, and separated from the rooms and compartments in which shell eggs or egg products are handled, processed, or stored. The dressing rooms and toilet rooms shall be separately ventilated, and shall meet all requirements as to sanitary construction and equipment.

(ii) Lavatory accommodations (including, but not being limited to, hot and cold running water, soap, and towels) shall be placed at such locations in the plant as may be essential to assure cleanliness of each person handling any shell eggs or egg products.

(iii) Clean outer garments shall be worn by all persons who are in any room or compartment where any breaking, drying, or packaging operation is conducted.

(iv) No product or material which creates an objectionable condition shall be processed, stored, or handled in any room, compartment, or place where any shell eggs or egg products are processed, stored, or handled.

(v) Suitable facilities for cleaning and sanitizing utensils and equipment shall be provided at convenient locations throughout the plant.

(3) *Equipment and utensils.* Equipment used for candling, breaking, straining clarifying, packaging, holding, drying, storing, or otherwise processing any shell eggs or egg products shall be of such design, material, and construction as will (i) enable the examination, segregation, or other processing of such eggs or egg products in an efficient, clean, and satisfactory manner, and (ii) permit easy access to all parts to insure thorough cleaning and sanitizing. So far as is practicable, all such equipment shall be made of metal or other impervious material, if the metal or other material will not affect the product by chemical action or physical contact. Receptacles and packages used for shell eggs or egg products which are not fit for human food shall bear some conspicuous and distinctive identification.

(f) *Operations and operating procedures.* (1) All operations involving processing, storing, and handling of shell eggs and egg products shall be strictly in accord with clean and sanitary methods, and shall be conducted as rapidly as is practicable and, except as necessary in preparing egg products by the fermentation process, at temperatures that will tend to cause no material increase in bacterial growth, or no deterioration or break-down of the original quality of the egg meat.

(2) All shell eggs and egg products shall be subjected to constant and continuous inspection throughout each and every processing operation. Any shell egg or egg product which was not processed in accordance with the instructions contained in this section or is not fit for human food shall be removed and segregated prior to any further processing operation in connection with the production of egg products to be identified by official identification.

(3) All utensils and equipment which are contaminated during the course of processing any shell eggs or egg products shall be removed from use immediately and shall not be used again until cleaned and sanitized.

(4) Any substance or ingredient added in the processing of any egg product shall be clean and fit for human food.

(g) *Sorting shell eggs.* (1) Shell eggs shall be adequately sorted prior to delivery to the breaking room so as to comply with the requirements of this section applicable to raw material.

(2) Shell eggs shall be sorted in such manner as to avoid breakage or contamination. When shell eggs are candled, they shall be so handled as to avoid breakage and contamination.

(h) *Breaking shell eggs.* (1) Each shell egg must be broken in a satisfactory and sanitary manner and inspected for wholesomeness by smelling the shell or the egg meat, and by visual examination at the time of breaking. Egg meat fit for human food shall be placed in proper containers and subsequently examined by an inspector. Egg meat which is not fit for human food shall be placed in containers provided for the purpose bearing some conspicuous and distinctive identification; and such containers shall contain a denaturant suitable for decharacterizing the product to prevent its use for human food.

(2) Egg meat which is examined and passed by an inspector shall be processed in such manner as to insure the removal of meat spots, shell particles, and foreign materials.

(3) Each person who is to handle any exposed or unpacked egg products shall wash his hands immediately prior to handling any such products or any utensils which contain, or are to contain, such products and shall maintain clean hands while handling any exposed or unpacked egg products.

(4) Whenever any breaker breaks a shell egg which is not fit for human food he shall not use any utensil which is contaminated by such shell egg. Each such contaminated utensil shall be exchanged for a clean one, and the breaker shall wash his hands immediately prior to receiving the clean utensil.

(5) In addition to the other requirements contained in this section, all utensils and equipment shall be clean and sanitary at the start of each day's processing operations and at the resumption of processing operations following any cessation of such operations for 30 minutes or longer.

(i) *Drying.* All pumps, liquid egg lines, drying equipment, and dried egg conveyors shall be operated and maintained in a sanitary manner. All dried egg powder shall be sifted, but not forced, through a screen so as to remove all foreign materials and all lumpy particles of dried eggs. No egg product which is to be identified with official identification shall have incorporated therein any screenings collected from any screening operation, any badly scorched powder, or any dusthouse powder.

(j) *Packages.* Packages or containers for egg products shall be clean when being filled with any egg products; and all reasonable precautions shall be taken to avoid soiling or contaminating the surface of any package or container liner which is, or will be, in direct contact with such egg products.

(k) *Final inspection of egg products.* All egg products shall, at the completion of the processing operation, be inspected by an inspector to ascertain the condition of the finished product.

(l) *Personnel; health.* (1) No person affected with any communicable disease (including, but not being limited to, tuberculosis) in a transmissable stage shall be permitted in any room or compartment where exposed or unpacked egg products are prepared, processed, or otherwise handled.

(2) Spitting or smoking is prohibited in each room and in each compartment where any exposed or unpacked egg products are prepared, processed, or otherwise handled.

(3) All necessary precautions shall be taken to prevent the contamination of egg products with any foreign substance (including, but not being limited to, perspiration, hair, cosmetics, and medicaments).

(m) *Facilities to be furnished by official plant.* (1) Facilities for the proper sampling, weighing, and examination of shell eggs and egg products shall be furnished by the official plant for use by inspectors and frozen egg graders.

(2) A locker or desk (equipped with a satisfactory locking device), in which labels with official identification, marking devices, samples, certificates, seals, and reports of inspectors will be kept, shall be furnished by the official plant for use by inspectors.

(n) *Authority and duties of inspectors.* (1) Each inspector is authorized:

(i) To make such observations and inspections as he deems necessary to enable him to certify that egg products identified with official identification have been prepared, processed, stored, and otherwise handled in conformity with the rules and regulations in this part and the instructions contained in this section;

(ii) To supervise the marking of packages containing egg products which are eligible to be identified with official identification;

(iii) To retain in his custody, or under his supervision, labels with official identification, marking devices, samples, certificates, seals, and reports of inspectors;

(iv) To deface or remove, or cause to be defaced or removed under his personal supervision, any official identification from any package containing egg products whenever he determines that such products were not processed in accordance with the instructions contained in this section or are not fit for human food; and

(v) To issue a certificate covering all products processed in the official plant.

(2) Each inspector shall prepare such reports and records as may be prescribed by the Chief or Acting Chief of the Poultry Inspection and Grading Division, of

the Administration, which shall contain, in addition to all other required data, a daily record of:

(i) The sanitary condition of the official plant and all processing operations therein in connection with the production of egg products;

(ii) All processing, holding, and storing temperatures;

(iii) The selection of all raw material used in the production of egg products;

(iv) The handling and condition of the finished egg products;

(v) The total quantity of egg products identified with the inspection mark.

(vi) The total quantity of egg products officially identified in accordance with paragraph (o) (2) of this section; and

(vii) The total quantity of egg products not fit for human food.

(o) *Official identification*—(1) *Inspection mark.* The inspection mark which is permitted to be used on egg products, other than those prepared in accordance with paragraph (d) (2) of this section, shall be contained within the outline of a shield of the wording and design set forth in Figure 1 of this paragraph.

(2) *Other identification.* Egg products prepared in accordance with paragraph (d) (2) of this section may be identified with an official identification of the wording and design set forth in Figure 2 of this paragraph.

FIGURE 1.

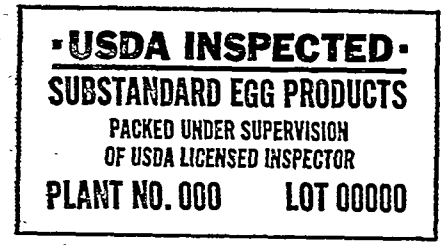

FIGURE 2.

(Pub. Law 135, 82d Cong., approved August 31, 1951)

Issued at Washington, D. C., this 28th day of December 1951.

[SEAL] ROY W. LENNARTSON,
Assistant Administrator,
Production and Marketing
Administration.

[F. R. Doc. 52-29; Filed, Jan. 2, 1952; 8:52 a. m.]

[7 CFR Part 70]

GRADING AND INSPECTION OF POULTRY AND EDIBLE PRODUCTS THEREOF AND UNITED STATES SPECIFICATIONS FOR CLASSES, STANDARDS, AND GRADES WITH RESPECT THERETO

NOTICE OF PROPOSED RULE MAKING

Notice is hereby given that the Department is considering, pursuant to the authority contained in the Agriculture Marketing Act of 1946 (60 Stat. 1087; 7 U. S. C. 1621 et seq.) and the Department of Agriculture Appropriation Act, 1952 (Pub. Law 135, 82d Cong., approved August 31, 1951), an amendment to the regulations (7 CFR Part 70) governing the grading and inspection of poultry and edible products thereof and United States specifications for classes, standards, and grades with respect thereto.

The proposed amendment prohibits the grade labeling of individual carcasses of dressed poultry after December 31, 1952, permits, under certain conditions, the grading and inspection of dressed poultry produced in Canadian registered poultry dressing stations, and makes minor changes in several other sections of the regulations.

The proposed amendment is deemed necessary in order to provide for the individual grade labeling of only that poultry which has been inspected for wholesomeness. Since dressed poultry, as such, cannot be inspected, it is the view of the Department that dressed poultry should not bear an individual grade mark.

All persons who desire to submit written data, views, or arguments with respect to the proposed amendment should file the same with the Chief of the Marketing Services Division, Poultry Branch, Production and Marketing Administration, U. S. Department of Agriculture, Washington 25, D. C., not later than 30 days following publication of this notice in the FEDERAL REGISTER.

The proposed amendment is as follows:

1. Revise paragraph (v) in § 70.1 *Definitions,* to read as follows:

(v) "Inspection," "inspection service," or "inspection of products for conditions and wholesomeness" means any inspection by an inspector to determine, in accordance with the regulations in this part, (1) the condition and wholesomeness of dressed poultry, or (2) the condition and wholesomeness of any edible product at any stage of the preparation or packaging thereof in the official plant where inspected and certified, or (3) the condition and wholesomeness of any previously inspected and certified product if such product has not lost its identity as an inspected and certified product. In addition to the foregoing, the terms "inspection" and "inspection service" shall each mean any inspection by an inspector to determine, in accordance with the regulations in this part, the condition of dressed poultry as it applies to the processing, handling or packaging of such product.

2. Revise paragraph (e) of § 70.4 *Basis of service,* to read as follows:

(e) *Dressed poultry to be eligible for grading or inspection service shall have been processed in official plants.* Except as otherwise provided herein, only dressed poultry which was processed in an official plant in accordance with the regulations in this part, and dressed poultry which was processed in Canadian registered poultry dressing stations operated in accordance with such methods and procedures as are acceptable to the Administrator, may be graded or inspected in an official plant. Domesticated quail and grouse and squabs which were not dressed in an official plant may be brought into an official plant for grading or inspection. Dressed poultry from other than official plants may be brought into an official plant only in instances where the Administration can determine that such dressed poultry will be adequately segregated and its form and identity maintained until it is shipped from the official plant.

3. Revise paragraph (f) of § 70.4 *Basis of service,* to read as follows:

(f) *Inspection in official plants; extent required.* All dressed poultry that is eviscerated in an official plant where inspection service is maintained shall be processed in a sanitary manner; and no uninspected edible products (poultry, rabbits, and red meats) may be brought into such plant. Dressed poultry may be eviscerated in such plants without inspection for condition and wholesomeness, but uninspected and inspected operations may not be carried on simultaneously except in plants where processing rooms (including packing rooms) are separate and effective segregation of inspected and uninspected products is maintained, and an inspector or a governmentally employed grader is on duty, at all times when plant operations are carried on, for the purpose of (1) effecting adequate segregation of the inspected and uninspected product; (2) control of official inspection marks and grade marks, and (3) supervision of sanitation in the official plant.

4. Revise the provisions of paragraph (g), § 70.4 *Basis of service,* to read as follows:

(g) *Certification of dressed poultry produced under sanitary requirements.* With respect to any official plant, dressed poultry, as such, may be certified by a grader as having been processed, handled and packed in accordance with the minimum standards for sanitation, facilities, and operating procedures in official plants. However, in official plants which have available the services of an inspector who is authorized to inspect for condition and wholesomeness, such inspector is also authorized to certify dressed poultry, as such, as having been processed, handled, and packed in accordance with the minimum standards for sanitation, facilities, and operating procedures in official plants. Appropriate grading or inspection processing reports shall be issued with respect thereto as required by the regulations in this part. The bulk containers, of such dressed poultry which has been certified as aforesaid, if to be officially identified, shall be marked for identification

purposes as provided in § 70.11 (e). All of the poultry that is processed in such official plant as dressed poultry, shall be prepared in accordance with the regulations in this part and under the supervision of a grader or inspector.

5. Revise the provisions of paragraph (b), § 70.11 *Identifying and marking products* to read as follows:

(b) *Products that may be individually grade marked; information required on grade mark.* (1) Only ready-to-cook poultry of A, B, or C quality and dressed poultry of A or B quality may be individually identified with a grade mark. However, after December 31, 1952 only ready-to-cook poultry may be so identified.

(2) Except as otherwise authorized, each grade mark which is to be used shall conspicuously indicate the U. S. grade of the product it identifies, and shall indicate the class or whether the bird is "young," or "mature" or "old," and shall include one of the following phrases: "Federal-State graded," "Government graded" or any other similar phrase approved by the Administrator. Such grade mark shall be contained within the outline of a shield of such design as may be approved by the Administrator.

6. Revise § 70.33 *Dressed poultry and ready-to-cook poultry,* to read as follows:

§ 70.33 *Dressed poultry and ready-to-cook poultry*—(a) *In an official plant.* Grading service performed in an official plant with respect to dressed poultry or ready-to-cook poultry shall, as the case may require, be on the basis of each individual carcass or on a representative sample basis.

(1) Only such ready-to-cook poultry which has been inspected and certified pursuant to the regulations in this part or which has been inspected and passed by any other inspection system which is acceptable to the Administrator, may be graded.

(2) Only such ready-to-cook poultry which has been graded on an individual carcass basis may be individually identified with the appropriate grade mark, and any container of such ready-to-cook poultry may also be so identified. The grading of ready-to-cook poultry shall be performed prior to the disjointing or cutting up of the carcass.

(3) After December 31, 1952, only the bulk containers of dressed poultry may be identified with the appropriate grade mark even though the grading may have been performed on an individual carcass basis.

(b) *At terminal markets and other receiving points.* Grading service performed with respect to dressed poultry or ready-to-cook poultry at terminal markets and other receiving points may be on a representative sample basis. Except as otherwise provided for in institutional contract specifications pursuant to § 70.4 (b), the bulk containers of dressed poultry may be marked with an official identification only if such dressed poultry was processed in an official plant. Only ready-to-cook poultry which was inspected and certified and is marked with the inspection mark or in accordance with the provisions of § 70.12 (b) (2), may be graded.

7. Revise paragraph (a) (1) (ii) of § 70.39 *Minimum standards for sanitation, facilities, and operating procedures in official plants* to read as follows:

(ii) Outside doors, except in receiving rooms and feeding rooms, shall be so hung that not over ¼ inch clearance remains when closed. Screen doors shall open toward the outside of the building. Doors shall be provided with self-closing devices where necessary to prevent the entry of vermin into processing and storage rooms.

8. Revise the provisions of paragraph (f) (5) of § 70.39 *Minimum standards for sanitation, facilities, and operating procedures in official plants,* to read as follows:

(5) Adequate toilet facilities shall be provided and the following formula shall serve as a basis for determining the adequacy of such facilities:

Persons of same sex:	*Toilet bowls required*
1 to 15, inclusive	1
16 to 35, inclusive	2
36 to 55, inclusive	[1]3
56 to 80, inclusive	[1]4
For each additional 30 persons in excess of 80	[1]1

[1] Urinals may be substituted for toilet bowls but only to the extent of ⅓ of the total number of bowls stated.

9. Revise paragraph (o) of § 70.39 *Minimum standards for sanitation, facilities, and operating procedures in official plants,* to read as follows:

(o) *Temperatures and procedures which are necessary for cooling and freezing poultry shall be in accordance with sound operating practices which insure the prompt removal of the animal heat and as will maximize the preservation of the quality and condition of the poultry.* (1) All dressed poultry and ready-to-cook poultry that is prepared in the official plant shall be cooled immediately after processing. Such poultry shall be cooled to an internal temperature of 40° F. or less, within 24 hours from the time of slaughter. If such poultry is shipped from the plant in packaged form, the poultry shall have been cooled to 40° F. or less, prior to shipment from the plant.

(2) *Ice chilling.* (i) Only ice manufactured or produced from potable water may be used for ice chilling. The ice shall be handled and stored in a sanitary manner. If of block-type, the ice shall be washed by spraying with clean water before crushing. Metal ice crushers shall be washed at least one daily.

(ii) Enough clean crushed ice shall be used to maintain a temperature in vats or tanks under 40° F. at all times during chilling. Any dressed poultry carcass weighing less than 8 pounds shall not be permitted to remain in a chilling vat or tank for longer than six hours unless the water is drained. Any dressed poultry carcass weighing 8 pounds or more shall not be permitted to remain in a chilling vat or tank for longer than eight hours unless the water is drained. Any such poultry carcass, however, shall not be allowed to remain in a chilling vat or tank after the internal temperature of the carcass has been lowered to 36° F. unless the water is drained.

(3) *Air chilling.* In air chilling, dressed poultry shall be passed through a spray of clean water immediately following the removal of the feathers, and then hung on racks. Thereupon the racks of dressed poultry shall be placed in a refrigerated room with moderate air movements and a temperature which will reduce the internal temperature of the carcass to from 36° F. to 40° F., both inclusive, within 24 hours.

(4) *Freezing.* (i) When dressed poultry is packaged in bulk or shipping containers, the carcasses should be individually wrapped or packaged in water-vapor resistant cartons or the containers should be lined with heavy water-vapor resistant paper so as to assure adequate overlapping of the lining to completely surround the carcasses and to permit unsealed closure or sealing in such a manner that water-vapor loss from the product is considerably retarded or prevented. The dressed poultry should receive an initial rapid freezing under such packaging, temperature, air circulation, and stacking conditions which will result in freezing the carcasses solid in less than 60 hours. Any carcass weighing less than 8 pounds should freeze solid in from 30 to 40 hours, whereas a carcass weighing more than 8 pounds should freeze solid in from 48 to 60 hours. (The approximate highest temperatures which will attain this result under average to most favorable conditions, are —10° F. with circulated air and —20° F. with still air; however, freezing temperatures of —20° F. to —40° F. are desirable.)

(ii) Frozen dressed poultry should be stored at 0° F. or below, with temperature maintained as constant as possible.

(5) Immediately after packaging, all dressed poultry and ready-to-cook poultry, other than that which is ice-packed or shipped from the plant in a refrigerated carrier, should be moved into the freezer; except, that a period not exceeding 72 hours shall be permitted for transportation and temporary holding before placing in the freezer provided such poultry is held at not above 36° F. The provisions in subparagraphs 2 and 4 of this paragraph, shall be applicable to ready-to-cook poultry.

(6) When poultry is packed in ice in barrels or other containers the barrels and containers shall be covered and shall have an adequate number of drain holes to permit water to drain out.

10. Revise paragraph (1) (iv) of § 70.104 (b) *Standards of quality,* to read as follows:

(iv) Is practically free from pinfeathers and vestigial feathers, especially on the breast, if the carcass is dressed poultry. If the carcass is ready-to-cook poultry, it is free from protruding pinfeathers, practically free from nonprotruding pinfeathers and vestigial feathers, especially on the breast.

11. Revise paragraph (2) (iv) of § 70.104 (b) *Standards of quality,* to read as follows:

(iv) Has not more than a slight scattering of pinfeathers and vestigial feathers over the entire carcass with only relatively few on the breast, if the carcass is dressed poultry. If the carcass is ready-to-cook poultry, it is free from protruding pinfeathers, but may have not more than a few scattered nonprotruding pinfeathers and vestigial feathers.

12. Revise paragraph (3) (iv) of § 70.104 (b) *Standards of quality,* to read as follows:

(iv) Have numerous pinfeathers and vestigial feathers scattered over the entire carcass, if the carcass is dressed poultry; if ready-to-cook poultry, the carcass is free from protruding pinfeathers but may have a few vestigial feathers and may have nonprotruding pinfeathers that do not seriously detract from the appearance of the carcass.

13. Effective January 1, 1953, revise paragraph (a) of § 70.201 *Forms of official identification,* to read as follows:

(a) *Form of grade mark.* The grade mark approved for use, pursuant to § 70.11 (b), on a graded product shall be contained within a shield of the form and design indicated in the example in Figure 1 hereof. The information (including the form and arrangement of its wording) which is required in such mark shall be: (1) The class of the product or whether the product is "young," or "mature," (or "old"); (2) the phrase "ready-to-cook"; (3) its U. S. grade, and (4) one of the following phrases: "Federal-State graded," "Government graded," or any other similar phrase which may be approved by the Administrator. In addition, the plant number of the official plant shall be set forth if it does not appear on the packaging material. Such other material as the Administrator may approve may also be included within such shield. However, the grade mark for ready-to-cook poultry may be used only when the product is identified as having been inspected by Federal inspectors or by inspectors of any other inspection system acceptable to the Administration.

Example of Grade Mark for Ready-to-Cook Poultry

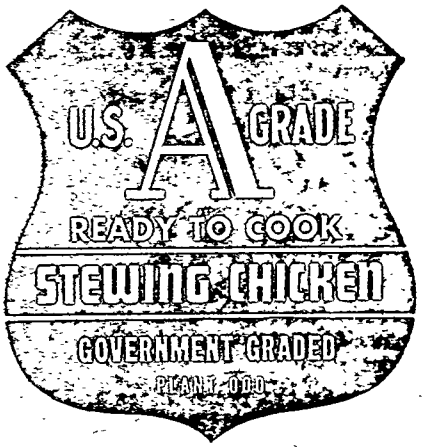

FIGURE 1.

14. Revise paragraph (a) (2) of § 70.105 *United States specifications for standards of grades for dressed poultry and ready-to-cook poultry,* to read as follows:

(2) When any lot of dressed poultry is graded on the basis of an examination of each carcass in a representative sample thereof, any carcass that would be of A Quality if it did not possess any of the following conditions shall, for the purpose of this section, be considered as being of B Quality; dirty or bloody head or carcass, dirty feet or vent, fan feathers or neck feathers or garter feathers, or feed in the crop. Any carcass that would be of B Quality or C Quality if it did not possess any of the foregoing conditions shall, for the purpose of this section, be considered as being of C Quality.

(60 Stat. 1037; 7 U. S. C. 1621 et seq.; Pub. Law 135, 82d Cong. approved Aug. 31, 1951)

Issued at Washington, D. C., this 28th day of December 1951.

[SEAL] CHARLES F. BRANNAN,
Secretary of Agriculture.

[F. R. Doc. 52-30; Filed, Jan. 2, 1952; 8:52 a. m.]

[7 CFR Parts 904, 934, 947, 996, 999]

[Docket Nos. AO-14-A21; AO-83-A17; AO-203-A3; AO-204-A3; AO-113-A14]

HANDLING OF MILK IN THE GREATER BOSTON, LOWELL-LAWRENCE, SPRINGFIELD, WORCESTER, AND FALL RIVER, MASS., MARKETING AREAS

NOTICE OF HEARING ON PROPOSED AMENDMENTS TO THE TENTATIVELY APPROVED MARKETING AGREEMENT AND TO THE ORDERS NOW IN EFFECT

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), and the applicable rules of practice and procedure governing the formulation of marketing agreements and marketing orders (7 CFR Part 900), notice is hereby given of a public hearing to be held at the Municipal Auditorium in Barre, Vermont, beginning at 10:00 a. m., e. s. t., January 28, 1952; at the Auditorium, Hampden County Improvement League Building, 1499 Memorial Avenue in West Springfield, Massachusetts, beginning at 10:00 a. m., e. s. t., January 29, 1952; and in Court Room No. 4, 12th Floor, Federal Building, Post Office Square, Boston, Massachusetts, beginning at 10:00 a. m., e. s. t., January 30, 1952, for the purpose of receiving evidence with respect to proposed amendments hereinafter set forth, or appropriate modifications thereof, to the tentative marketing agreements heretofore approved by the Secretary of Agriculture, and to the orders now in effect, regulating the handling of milk in the Greater Boston, Lowell-Lawrence, Springfield, Worcester, and Fall River, Massachusetts, marketing areas. These proposed amendments have not received the approval of the Secretary of Agriculture.

Amendments proposed for Boston, Lowell-Lawrence, Springfield, Worcester and Fall River.

By New England Milk Producers' Association and H. P. Hood and Sons.

1. Amend the applicable provisions relating to the Class I pricing formula to substitute an index of per capita disposable income in New England in lieu of the index of New England department store sales.

By Northern Farms Cooperative, Maine Dairymen's Association and H. P. Hood and Sons.

2. Amend the Class I pricing provisions to reflect pending adjustments to be made in the wholesale price index of all commodities as reported by the United States Department of Labor.

By Northern Farms Cooperative, Maine Dairymen's Association and Richmond Cooperative Association.

3. Revise the schedules of seasonal Class I prices to include January and February along with October, November and December in the highest seasonal price column.

By Northern Farms Cooperative and Maine Dairymen's Association.

4. Amend the Class I price schedules to effect a 22-cent price increase for each index bracket.

5. Amend the Class I pricing provisions to provide that there shall be no decline in the Class I price during the period from September of one year through February of the succeeding year.

By New England Milk Producers Association.

6. Revise the classification provisions to classify skim milk used for human consumption as Class I in lieu of the present Class II classification.

By H. P. Hood and Sons.

7. Revise the definition of concentrated milk by inserting after the word "manufacture" the phrase "and which is sold for fluid consumption," and by deleting the last sentence and substituting therefor the following:

"For the purposes of this part, the equivalent weight of the fluid milk products in the concentrated milk shall be used rather than the actual weight of the concentrated milk."

8. Amend the classification provisions setting forth the Class II items by deleting the words "for fluid consumption" following the words "concentrated milk."

Amendments proposed for Boston, Lowell-Lawrence, Worcester and Springfield.

By General Ice Cream Corporation.

9. Revise the definition of concentrated milk to read:

Concentrated milk means any unsterilized liquid milk product other than those products commonly known as evaporated milk and sweetened condensed milk, which is sold for fluid consumption, and which is obtained by the evaporation of water from milk and milk to which any other milk may be added in the process of manufacture. For purposes of this part, the milk equivalent of the concentrated milk shall be used rather than the weight of the concentrated milk. The milk equivalent shall be the number of quarts of concentrated milk increased by the volume of water required to reconstitute it as shown on the container sold to the consumer.

By the Dairy Branch, Production and Marketing Administration.

10. Amend section 51 (a) of each order by deleting the phrase "for milk

received during each month since the effective date of the most recent amendment of this subpart" and substitute therefor "for milk received during each prior month."

Amendments proposed for Lowell-Lawrence, Springfield and Worcester.

By the Dairy Branch, Production and Marketing Administration.

11. Add a new paragraph under the duties of the market administrator as follows:

Employ and fix the compensation of such persons as may be necessary to enable him to exercise his powers and perform his duties.

Amendments proposed for Boston.

By 16 New England producers cooperative associations.

12. Amend the Class I pricing formula to substitute an index of per capita disposable income in New England in lieu of the present index of New England department store sales.

By Eastern Milk Producers Cooperative Association.

13. Amend § 904.40, Class I prices, by deleting the present language of paragraph (b) and substituting total New England disposable income appropriately adjusted as a measure of consumer buying power.

By Independent Cooperative Association and Eastern New York Dairy Cooperative.

14. Amend the Class I pricing provisions to provide for a change to 45 percent in lieu of the present 41 percent in the volume of Class II milk required to cause the supply-demand adjustment to become operative.

By Northern Farms Cooperative, Inc., and Maine Dairymen's Association, Inc.

15. Amend § 904.1 (b) to expand the marketing area to include the towns of Bedford, Burlington, Danvers, Lynnfield, Middleton, North Reading and Wilmington, Massachusetts.

By New England Milk Producers Association.

16. (a) Amend § 904.1 (d) to define the "marketing year" as the twelve months' period from July 1 of each year through June 30 of the following year;

(b) Amend § 904.2 (d) to define "dairy farmer for other markets" as any dairy farmer whose milk is received by a handler at a pool plant during April, May or June from a farm from which the handler received non-pool milk in any one of the preceding months of July through March; and

(c) Amend § 904.21 (f) to provide that each of a handler's plants which is a nonpool receiving plant during any of the months of July through March shall be a nonpool plant in any of the months of April through June of the same marketing year in which it is operated by the same handler.

By Northern Farms Cooperative and Maine Dairymen's Association.

17. (a) Amend § 904.1 (d) so as to read:

(d) "Marketing year" means the twelve months period from July 1 of each year through June 30 of the following year.

(b) Amend § 904.21 (f) to read:

(f) Each of a handler's plants which is a nonpool receiving plant during any of the months of July through March shall be a nonpool plant in any of the months of April through June of the same marketing year in which it is operated by the same handler, an affiliate of the handler, or any person who controls or is controlled by the handler, unless its operation during July through March was in the handler's capacity as a producer-handler or as the operator of a New York order pool plant which had been acquired by him after May 31 of the immediately preceding marketing year.

(c) Amend § 904.2 (d) to read:

(d) "Dairy farmer for other markets" means any dairy farmer whose milk is received by a handler at a pool plant during April, May or June from a farm from which the handler, an affiliate of the handler, or any person who controls or is controlled by the handler, received nonpool milk in any one of the preceding months of July through March except that the term shall not include any person who was a producer-handler or a person delivering to a New York order pool plant during any of the preceding months of July through March.

By Eastern Milk Producers Cooperative Association.

18. Amend § 904.21 (f) to read as follows:

(f) Each of a handler's plants which is a nonpool receiving plant during any of the months of July through March shall be a nonpool plant in any of the months of April through June in the same marketing year in which it is operated by the same handler, an affiliate of the handler, or any persons who control or are controlled by the handler, unless its operations during July through March were in the handler's capacity as a producer-handler or as the operator of a New York order pool plant which had been acquired by him after June 30 of the immediately preceding marketing year. And provide any other changes necessary in the order consistent with this amendment.

By United Farmers of New England.

19. Amend § 904.15 (b) by inserting after the words "flavored skim milk," the words "fat-free milk sold in gallon packages or less," and by making such other technical changes as may be necessary to make this change effective.

By H. P. Hood and Sons.

20. Revise § 904.17 (a) to include after the words "regulated plant" the phrase "or regulated plant of another Federal order."

21. Revise § 904.17 (c) to permit classification other than Class I in the case of a second transfer of milk between certain plants.

22. Revise § 904.47 (a) to delete the words following "of milk from" and substitute the words "dairy farmers farms."

23. Revise § 904.47 (b) to delete the phrase "from each of his country plants."

Amendments proposed for Lowell-Lawrence.

By Manchester Dairy System, Inc.

24. Amend § 934.4 (g) by deleting the present language and substituting therefor the following:

(g) "Exempt milk" means milk which is received at a regulated plant:

(1) In bulk from an unregulated plant or from the dairy farmer who produces it, for processing and bottling and for which an equivalent quantity of packaged milk is returned to the dairy farmer or to the operator of the unregulated plant during the same month; or

(2) In packaged form from an unregulated plant in return for an equivalent quantity of bulk milk moved from a regulated plant for processing and bottling during the same month.

25. Amend § 934.22 (a) to reduce the present 30 percent shipping requirement to 20 percent.

By the Dairy Branch, Production and Marketing Administration.

26. Revise § 934.2 (e) by deleting the words "a dairy farmer who ordinarily delivers to a handler's pool plant" and substitute therefor the language "a dairy farmer with respect to his operation of a farm from which milk is ordinarily delivered to a handler's pool plant."

27. Revise § 934.51 by deleting paragraph (b) and renumbering paragraphs (c) through (f) as paragraphs (b) through (e), respectively.

Amendments proposed for Springfield.

By Daylight Dairy Products.

28. Amend § 996.64 (b) to include the town of Stafford Springs, Connecticut, in the area in which 46-cent nearby differentials are paid.

By F. B. Mallory, Inc.

29. Amend the definition of the marketing area to include the town of Hampden, Massachusetts.

30. Amend the applicable order provisions to permit emergency receipts of fluid milk without payment of the difference between the Class I and Class II prices on such emergency receipts.

Amendments proposed for Worcester.

By M. H. Lalpson & Company.

31. Revise the present country plant price differentials to provide for a Class I differential of $0.755 in the 141–150 mile zone in lieu of the present $0.505; or, amend the order provisions to permit a deduction in making payments to producers based on the average daily Class I disposition of a country pool plant as follows:

(a) Less than 17,000 pounds—15 cents per hundredweight.

(b) More than 17,000 pounds but less than 23,375 pounds—10 cents per hundredweight.

By Jensen's Wayside Dairy.

32. Amend § 999.50 by adding a new paragraph (g) as follows:

(g) Subtract any amount which the handler is required to pay on such milk pursuant to § 904.66 (b) of the Boston order.

Amendments proposed for Fall River.

By Fall River Milk Producers' Association, Inc.

33. Amend § 947.41 (b) (1) to provide for the inclusion of skim milk for human consumption as Class I.

34. Amend § 947.50 to provide for the use of an index of per capita disposable income in New England in lieu of the index of department store sales.

GENERAL

By the Dairy Branch, Production and Marketing Administration.

35. Make such other changes as may be required to make the marketing agreements and orders in their entirety conform with any amendments thereto that may result from this hearing.

Copies of this notice of hearing and of the orders as now in effect may be procured from the respective market administrators: Room 403, 230 Congress Street, Boston 10, Massachusetts; 103 Pleasant Street, Fall River, Massachusetts, National Bank Building, 21 Main Street, Andover, Massachusetts; Room 705, 145 State Street, Springfield, Massachusetts; Room 403, 107 Front Street, Worcester, Massachusetts; or from the Hearing Clerk, Room 1353, South Building, United States Department of Agriculture, Washington 25, D. C., or may be there inspected.

Issued at Washington, D. C., this 27th day of December 1951.

[SEAL] ROY W. LENNARTSON,
Assistant Administrator for Marketing Production and Marketing Administration.

[F. R. Doc. 52-39; Filed, Jan. 2, 1952; 8:55 a. m.]

[7 CFR Part 944]

[Docket No. AO-105-A9]

HANDLING OF MILK IN QUAD CITIES MARKETING AREA

PROPOSED AMENDMENTS TO THE TENTATIVE MARKETING AGREEMENT AND TO THE ORDER, AS AMENDED

Pursuant to the provisions of the Agricultural Marketing Agreement Act of 1937, as amended (7 U. S. C. 601 et seq.), and the applicable rules of practice and procedure governing the formulation of marketing agreements and marketing orders (7 CFR, Part 900), notice is hereby given of a public hearing to be held in the Council Chambers, Rock Island City Hall, Rock Island, Illinois, beginning at 10:00 a. m., C. S. T., January 15, 1952, for the purpose of receiving evidence with respect to proposed amendments hereinafter set forth or appropriate modification thereof, to the tentative marketing agreement heretofore approved by the Secretary of Agriculture and to the order, as amended, regulating the handling of milk in the Quad Cities marketing area. These proposed amendments have not received the approval of the Secretary of Agriculture. Amendments to the order (No. 44), as amended, for the Quad Cities marketing area were proposed as follows:

Proposed by the Clinton Cooperative Milk Producers Association, Illinois-Iowa Milk Producers Association, and Quality Milk Association.

1. Delete § 944.50 (a) and substitute therefor the following:

(a) *Class I milk.* The price for Class II milk for the preceding delivery period plus $0.85 during May and June; plus $1.25 during the months of July through January, inclusive, and plus $1.05 during the remaining months of each year: *Provided,* That in no month shall the Class I price be less than the 70 mile zone price established per hundredweight of Class I milk under Order No. 41, as amended, regulating the handling of milk in the Chicago, Illinois, marketing area, plus 30 cents.

2. Delete § 944.50 (c) (2) and substitute therefor the following:

(2) Multiply the simple average of the daily wholesale selling prices (using the midpoint of any price range as one price) of Grade A (92-score) bulk creamery butter per pound at Chicago as reported by the Department during the delivery period by 1.2 and multiply that result by 3.5; and add the result of the following: From the weighted averages of carlot prices per pound for roller process nonfat dry milk solids, for human consumption, f. o. b., manufacturing plants in the Chicago area, as published for the period from the 26th day of the immediately preceding month through the 25th day of the current month, deduct 6½ cents, multiply the result by 8.2 and multiply that result by 0.965: *Provided,* That, if such f. o. b. manufacturing plant prices for nonfat dry milk solids are not reported, there shall be used for the purpose of such computation the average of carlot prices for roller process nonfat dry milk solids for human consumption, delivered at Chicago as reported by the Department during the delivery period; and in the latter event 8½ cents shall be used in lieu of the 6½ cent deduction in arriving at the computation.

3. Delete § 944.51 (c) and substitute therefor the following:

(c) *Class III milk.* Multiply the simple average of the daily wholesale selling prices (using the midpoint of any price range as one price) of Grade A (92-score) bulk creamery butter per pound at Chicago as reported by the Department during the delivery period in which the milk was received by 1.20 and divide the result by 10.

4. Add as § 944.53 the following:

§ 944.53 *Location adjustments to handlers.* For milk which is received from producers at a pool plant located outside the marketing area, the prices computed pursuant to § 944.50 shall be reduced 2 cents for each 15 miles or fraction thereof that such plant is located more than 30 miles from the City Hall in Rock Island, Illinois, such distance to be the shortest highway distance as determined by the market administrator.

5. Amend § 944.65 by adding a new paragraph as follows:

(d) In making payments to producers for milk received at a pool plant located outside the marketing area, there shall be deducted 2 cents for each 15 miles or fraction thereof that such plant is located more than 30 miles from the City Hall in Rock Island, Illinois, such distance to be the shortest highway distance as determined by the market administrator.

6. Amend § 944.41 (c) by deleting the words "American-type Cheddar Cheese" and substituting therefor the words "cheese (except cottage cheese)".

7. Amend § 944.8 by deleting therefrom the words "or the Grade A Milk and Grade A Milk Products Law of the State of Illinois".

8. Amend § 944.41 (c) by adding at the end thereof the following proviso:

Provided, That if receipts of milk from producers at a pool plant located outside the marketing area is moved in bulk to a pool plant located within the marketing area, the pool plant located outside the marketing area shall be allowed an amount not to exceed one-half percent shrinkage on such milk and the pool plant located within the marketing area shall be allowed an amount not to exceed 1½ percent shrinkage on such milk.

Copies of this notice of hearing may be procured from the Market Administrator, 335 Federal Building, Rock Island, Illinois, or from the Hearing Clerk, Room 1353, South Building, United States Department of Agriculture, Washington 25, D. C., or may be there inspected.

Dated: December 27, 1951.

[SEAL] ROY W. LENNARTSON,
Assistant Administrator.

[F. R. Doc. 52-23; Filed, Jan. 2, 1952; 8:52 a. m.]

INTERSTATE COMMERCE COMMISSION

[49 CFR Parts 71-78]

[Docket No. 3668; Notice 4]

EXPLOSIVES AND OTHER DANGEROUS ARTICLES

NOTICE OF PROPOSED RULE MAKING

Correction

In F. R. Doc. 51-15193, appearing at page 13003 of the issue for Thursday, December 27, 1951, the following changes should be made:

The section heading "§ 73.68 *Detonating powers*" should read "§ 73.68 *Detonating primers.*"

In § 78.219-3 (a), the word "piles" should read "plies".

NOTICES

FEDERAL POWER COMMISSION

[Docket Nos. G-1741, G-1764]

TENNESSEE GAS TRANSMISSION CO.

INTERIM ORDER AUTHORIZING LEVEL OF INCREASED RATES AND PROVIDING FOR FURTHER HEARING

DECEMBER 17, 1951.

By order dated October 9, 1951, the Commission set for hearing to commence on November 27, 1951, the increase in rates and charges proposed by Tennessee Gas Transmission Company and involved in Docket No. G-1741, which were suspended by order of the Commission under date of July 12, 1951, as well as the increase in rates and charges involved in Docket No. G-1764 which were suspended by the Commission under date of August 14, 1951. The proposed increase in rates involved in Docket No. G-1741, based on estimates supplied by Tennessee was stated in the order of suspension to be such as to provide an increase in revenue from $83,264,058 to $99,613,895 for the 12 months ending July 31, 1952, but certain of the increased rates involved were rejected. The rates suspended in Docket No. G-1741, based upon estimates supplied by Tennessee, would result in increased revenues of $13,617,465 for the 12 months ending July 31, 1952. The order of suspension in Docket No. G-1764 under date of August 14, 1951, recited that the rates and charges in the proposed revised rate schedules, based upon information supplied by Tennessee, would result in increased revenue of $4,418,472 for the 12 months ending July 31, 1952. By the same order of August 14, 1951, the proceedings in Docket No. G-1764 were consolidated with the proceedings in Docket No. G-1741 for hearing.

Since July 2, 1951, members of the staff of the Commission have been actively engaged in an examination of the books, records and operations of Tennessee Gas Transmission Company and the preparation of studies to determine, on the basis of experience and actual operations, the probable effect of the increased rates filed by Tennessee, the revenue to be derived therefrom, its necessary operating expenses and other elements of cost to determine what might be justified under the established rules of the Commission to provide Tennessee with revenue to meet its cost of service, and provide for a reasonable return of 6% upon its net investment in utility property devoted to public service. Conferences were had with the officers and employees of Tennessee respecting all relevant facts material to a determination of the basic issues involved in the proceedings. On Tuesday, December 4, 1951, in open hearing, it was suggested that the hearing be recessed until 10 o'clock December 6, 1951, so that all parties in interest, including representatives of the Commission's staff, Tennessee and all interveners, might sit down informally and review the figures compiled by the staff, which had been assembled in statement form and were distributed, to determine whether or not agreement might be reached as to the basic over-all increase in revenue based on 1951 operations, which Tennessee would be entitled to in order to realize its costs of service and a return of 6 percent upon its depreciated investment including Federal income taxes. These conferences continued throughout December 4th and 5th and at the reconvened hearing on December 6, 1951, the statement reflecting basic figures considered at the conferences was received in evidence and supported by testimony of the Commission's Chief of its Bureau of Accounts, Finance and Rates, wherein it was represented that an increase in revenue in the amount of $11,414,696 represented an amount which in his judgment would provide to Tennessee, on the basis of 1951 operations, increased revenue to meet its operating expenses reflecting cost of service, and a reasonable return on its net investment of 6 percent including Federal income taxes. The record shows that there was full concurrence in this recommendation by Tennessee and all parties to the proceeding.

The following parties appeared and were represented at the hearing on December 4, 1951, participated in the conferences on December 4 and 5, 1951, and the adjourned hearing on December 6, 1951, viz: Tennessee Gas Transmission Company, Hope Natural Gas Company, The Manufacturers Light & Heat Company, United Fuel Gas Company, Tennessee Natural Gas Lines, Inc., East Tennessee Natural Gas Company, Washington Gas Light Company, Consolidated Gas Electric Light and Power Company of Baltimore, Louisville Gas & Electric Company, The Cincinnati Gas & Electric Company, The Union Light, Heat & Power Company, Portsmouth Gas Company, the Public Service Commission of New York, the City of Cincinnati, Ohio, the Director of Price Stabilization, the Atomic Energy Commission, the Staff of the Federal Power Commission, Pittsburgh Plate Glass Company and the Corning Glass Works. The Public Service Commission of West Virginia appeared at the hearing on December 4, 1951, and participated in the conferences on that date but did not participate in the conferences on December 5, 1951, or the hearing on December 6, 1951. However, the Presiding Examiner, at the hearing on December 6, 1951, read into the record a letter from the Chairman of the West Virginia Commission addressed to the Commission, for the attention of the Examiner, in which he stated that inasmuch as the United Fuel Gas Company and Hope Natural Gas Company had agreed to the increase of $11,414,696, that Commission offered no objection to the compromise figure. Rolland Glass Company, Universal Glass Products Company and Parkersburg Steel Company were permitted to intervene but did not appear at the hearings or participate in the conferences.

The main increases in cost of service underlying the proposed increase in rates relate to Federal income taxes which were increased from 47 percent to 52 percent, or approximately $1,300,000, the imposition of a gathering tax by the State of Texas amounting to about $1,500,000 on an annual basis, increases in ad valorem taxes of some $486,000 due to increases in plant, increases in State income taxes of $52,700, and increases in the cost of gas from suppliers in Texas due to the operation of price index and favored nation clauses in gas purchase contracts of approximately $2,360,000. During the year 1951 the company also increased its wage rates and employee benefits, the aggregate increases amounting to approximately $1,200,000.

Tennessee has been expanding its facilities in recent years at a very rapid rate and certain of its construction costs have exceeded the original estimate. Likewise, many items of operating expenses in addition to those mentioned above have been increased. In 1947 in Docket No. G-606 a rate reduction of approximately $850,000 was put into effect after staff investigations and conferences with the company. The rate base then amounted to only $68,609,385, the annual volume of gas sold was only 94,502,000 Mcf, and the cost of service was $17,575,713. These figures may be compared with a rate base of $344,183,631 for the year 1951, 387,638,849 Mcf and a cost of service of $85,469,659.

Of the estimated cost of service totaling $85,469,659, approximately $19,000,000 or about 22 percent represents taxes in one form or another.

It was clearly stated on the record that the increase in revenue in the amount of $11,414,696 was a round figure representing an over-all increase in rates without in any way binding Tennessee, the staff or the interveners respecting the particular rates by which that increase in revenue was to be realized as between particular zones, or the manner in which the increase in revenue was to be divided between the demand and commodity element in increased rates. In other words, it was fully understood that the increase was an over-all figure for which specific rates must be provided in filed tariffs at a later date and that such specific rates as filed would be the matter of a full hearing unless agreed to by all parties or otherwise disposed of in a manner consistent with the requirements of the Natural Gas Act.

Following the recital upon the record on December 6, 1951, of agreement by all parties as to the over-all increase in rates it was recommended that the Commission enter an interim order authorizing Tennessee to file, on or before January 11, 1952, schedules of rates and charges designed to provide increased revenue, based on 1951 operations, equal to, as nearly as might be, $11,414,696; that such rates when filed were to be effective from and after December 16, 1951; that the hearing in these proceedings would be recessed until January 8,

1952, at which time Tennessee would submit to its customers and all interested parties the schedules of rates and charges which it proposed to file on January 11, 1952, for the purpose of advising such customers and other interested parties of the schedules of rates and charges which it proposed to file and afford to them full opportunity for discussion concerning such rates and charges before actually being filed; that with respect to such rates when filed to be effective December 16, 1951, they were to remain in effect until changed or modified by further order of the Commission; that with respect to rates ultimately made effective in these proceedings, Tennessee, in accordance with its proposal, would refund all amounts collected under rates and charges made effective on December 16, 1951, in excess of the rates finally determined and made effective by order of the Commission and would not undertake to collect any amount in any case where higher rates than those made effective on December 16, 1951, were ultimately made effective but would itself absorb all such charges; and finally that the obligation of Tennessee to justify in the rates filed on January 11, 1952, to be effective on December 16, 1951, the allocation of the increase to rate zones and the division of the charges into demand and commodity components, would be the same obligation imposed by the Natural Gas Act on Tennessee with respect to the rates suspended by the Commission's orders of July 12, 1951, and August 14, 1951, in these dockets.

The Commission finds: The record in these proceedings shows that, based on 1951 operations, Tennessee Gas Transmission Company is reasonably entitled to an increase in revenue equal to an amount approximating $11,414,696 in order to provide revenue to meet its cost of service and realize a return of 6 percent upon its depreciated investment in utility property devoted to public service, including Federal income taxes; that it is reasonable and in the public interest to permit Tennessee to file new schedules of rates and charges on or before January 11, 1952, to reflect an increase in revenue of approximately $11,414,696 in substitution for rate schedules filed by Tennessee in these dockets and suspended by orders dated July 12, 1951 and August 14, 1951; that such rate schedules when filed shall be effective as of December 17, 1951, the effective date of this order; and that Tennessee shall have the same duty and obligation of sustaining, in respect to the allocation of the increase to rate zones and the division of the charges between demand and commodity components, the reasonableness and correctness of such increase of rates and charges as that fixed by the provisions of the Natural Gas Act with respect to the suspended rates thereby superseded.

The Commission orders: (A) Upon the filing with the Commission of a corporate bond in the amount of $100,000 conditioned upon the faithful performance of the obligations of this order, Tennessee Gas Transmission Company may, on or before January 11, 1952, file new schedules of increased rates and charges reflecting an increase in revenue approximately $11,414,696, based on 1951 operations, to be effective as of December 17, 1951, in lieu of and in substitution for the schedules of increased rates and charges suspended by orders of the Commission on July 12, 1951 and August 14, 1951, upon the terms and conditions specified in paragraphs (B), (C) and (D) of this order.

(B) The schedules of increased rates and charges filed by Tennessee Gas Transmission Company and suspended by orders of the Commission on July 12, 1951 and August 14, 1951, shall be withdrawn by Tennessee simultaneously with the filing of the new schedules of increased rates and charges filed on or before January 11, 1952, to be effective on December 17, 1951, and such rate schedules so superseded shall thereafter be without force or effect in any further proceeding in these dockets.

(C) The filing by Tennessee Gas Transmission Company of new schedules of increased rates or charges on or before January 11, 1952, to be effective December 17, 1951, reflecting increased revenue of approximately $11,414,696, based on 1951 operations, shall not be construed or considered as a determination, acquiescence or approval of the specific rates and charges therein set forth in relation to zones, or the distribution of such increases as between the demand and commodity elements which may be reflected in such schedules of increased rates and charges, it being distinctly understood that Tennessee thereafter has the full obligation and duty under the Natural Gas Act to justify the reasonableness and correctness of the individual charges reflected in such schedules, and full opportunity for hearing is to be provided to all parties with respect to the rates and charges they will be called upon to pay for natural gas received from Tennessee.

(D) If, under the new schedules of increased rates and charges filed by Tennessee on or before January 11, 1952, effective December 17, 1951, Tennessee collects revenue from any particular customer in excess of revenue due and payable under schedules of rates and charges ultimately established or approved by order of the Commission, Tennessee shall refund all such excess charges, provided, however, that where the revenue collected under schedules of rates and charges filed on or before January 11, 1952, and effective December 17, 1951, is less than revenue due and payable to Tennessee under schedules of rates and charges ultimately fixed or approved by order of the Commission, then Tennessee shall not collect the difference.

(E) The effective date of this order shall be December 17, 1951.

Date of issuance: December 26, 1951.

By the Commission. Acting Chairman Buchanan concurring in part and dissenting in part.

[SEAL] LEON M. FUQUAY, *Secretary.*

[F. R. Doc. 52-2; Filed, Jan. 2, 1952; 8:45 a. m.]

[Docket No. G-1847]

TEXAS GAS TRANSMISSION CORP.

ORDER DIRECTING THAT PREHEARING CONFERENCE BE HELD AND FIXING DATE THEREOF

DECEMBER 19, 1951.

On December 7, 1951, Texas Gas Transmission Corporation (Movant), pursuant to the provisions of § 1.18 of the Commission's rules of practice and procedure (18 CFR 1.18), filed a motion requesting that a prehearing conference be held in connection with the application which has been filed by Movant in this proceeding. Movant further requests that such prehearing conference be held for the following purposes:

1. The simplification of issues.

2. The exchange and acceptance of service of exhibits proposed to be offered in evidence.

3. The obtaining of admission as to, or stipulations of, facts not remaining in dispute, and the authenticity of documents which will shorten the hearing.

4. The obtaining of admission as to, or stipulations of, matters to be incorporated by reference from other Commission dockets.

5. Such other matters as may properly be dealt with to aid in expediting the orderly conduct and disposition of the proceeding.

Movant states that the facilities for which authorization is sought in this proceeding are substantially similar to the project proposed by it in Docket Nos. G-1570 and G-1578. It further states that the only material changes are related directly to the elimination of the previously proposed sale to Tennessee Valley Authority and the substitution of an interruptible sale to The Ohio Fuel Gas Company. The applications of Movant in the aforesaid dockets for the most part were denied without prejudice by the Commission's Opinion No. 220 and accompanying order issued November 6, 1951.

It appears that Movant plans to incorporate, by reference, as a part of the record in this proceeding, most of the testimony and exhibits which were presented by it in Docket No. G-1578. The testimony and new exhibits which will be presented in support of the application in this proceeding, Movant states, will be merely minor modifications of evidence which has been previously submitted and subjected to cross-examination.

Movant asserts that a prehearing conference will result in considerable saving of time required for the hearing proposed to be held in this proceeding.

The Commission finds: To aid in expediting the orderly conduct and disposition of the required hearing, it is appropriate and in the public interest that a prehearing conference be held pursuant to the provisions of § 1.18 of the Commission's rules of practice and procedure (18 CFR 1.18), as hereinafter ordered, for the purposes requested by Texas Gas Transmission Corporation and for other purposes which may tend to expedite this proceeding.

The Commission orders:

(A) Pursuant to the provisions of § 1.18 of the Commission's rules of prac-

tice and procedure, a prehearing conference be held for the purposes set forth above on January 22, 1952, at 10:00 a. m. (e. s. t), in the office of the Secretary of the Federal Power Commission, 1800 Pennsylvania Avenue NW., Washington, D. C. Such prehearing conference shall be presided over by the Presiding Examiner designated to preside at the hearing in this proceeding.

(B) All parties to this proceeding, including counsel for the Staff of the Commission, may participate as provided by § 1.18 of said rules of practice and procedure.

Date of issuance: December 26, 1951.

By the Commission.

[SEAL] LEON M. FUQUAY, *Secretary.*

[F. R. Doc. 52-6; Filed, Jan. 2, 1952; 8:46 a. m.]

[Docket No. G-1848]

CLARKSVILLE, TENN.

NOTICE OF APPLICATION

DECEMBER 26, 1951.

Take notice that the City of Clarksville, Tennessee (Applicant), a municipal corporation, filed on December 3, 1951, an application pursuant to section 7 (a) of the Natural Gas Act, as amended, for an order directing Tennessee Gas Transmission Company (Tennessee Gas) to extend and improve its transportation facilities and to establish physical connection of its transportation facilities with the facilities to be installed by, for and on behalf of the Applicant and for an order directing Tennessee Gas to supply and sell natural gas to the Applicant from its transmission line about 25 miles southeast from Applicant.

The application recites that on June 1, 1951, the Commission issued an order in Docket Nos. G-1573 and G-1614 issuing to Tennessee Gas a certificate of public convenience and necessity conditioned, among other things, that the 4,519 Mcf per day of natural gas remaining unsold and unallocated from the 40,000 Mcf per day of additional system capacity which the Commission authorized Tennessee Gas to install among other things, in Docket Nos. G-962 and G-1248, should be made available to Republic Light, Heat and Power Company and to the City of Clarksville, Tennessee. By said order of June 1, 1951, the Commission ordered that Tennessee Gas deliver up to 3,519 Mcf of gas per day to Applicant.

The application further recites that upon petition of Tennessee Gas for rehearing and modification of the order of June 1, 1951, the Commission granted said rehearing for reasons not pertinent to the instant application and directed that that part of the order of June 1, 1951, authorizing Tennessee Gas to make available a maximum daily volume 3,519 Mcf of gas per day to Applicant and 1,000 Mcf of gas per day to Republic Light, Heat and Power Company remain in full force and effect. It is further recited in the application that after rehearing the Commission issued its order modifying the order of June 1, 1951, but in no way modified its previous direction to Tennessee Gas to make the 3,519 Mcf of gas available to Applicant. Said order of modification was issued by the Commission on August 27, 1951.

The application recites that by letter dated October 16, 1951, Tennessee Gas advised Applicant that Tennessee Gas had declined acceptance of the certificate as issued it by the Commission in its order of modification and therefore that Tennessee Gas did not have authority to, and was not in a position to enter into a gas sales contract with Applicant.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington, D. C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before the 17th day of January 1952. The application is on file with the Federal Power Commission for public inspection.

[SEAL] J. H. GUTRIDE, *Acting Secretary.*

[F. R. Doc. 52-3; Filed, Jan. 2, 1952; 8:45 a. m.]

[Docket No. G-1850]

ATLANTIC SEABOARD CORP.

NOTICE OF APPLICATION

DECEMBER 26, 1951.

Take notice that Atlantic Seaboard Corporation (Applicant), a Delaware corporation, with its principal place of business in Charleston, West Virginia, filed on December 10, 1951, an application for a certificate of public convenience and necessity pursuant to section 7 of the Natural Gas Act, authorizing the construction and operation of certain transmission facilities hereinafter described.

Applicant proposes to increase the capacity of its existing transmission system by 89,500 Mcf per day in order to transport increased volumes of natural gas for sale to Applicant's present customers. To carry out such purpose, Applicant proposes to construct and operate four new compressor stations totaling 18,200 hp. and an additional 1,100 hp. in its Files Creek Station, all on Applicant's West Virginia segment of the Columbia Gas System's 26-inch Cobb-Rockville line. The cost of the proposed facilities is estimated to be $8,462,000.

Applicant proposes to finance this construction from the sale of securities to Applicant's parent company, The Columbia Gas System, Inc.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D. C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before the 17th day of January 1952. The application is on file with the Commission for public inspection.

[SEAL] J. H. GUTRIDE, *Acting Secretary.*

[F. R. Doc. 52-4; Filed, Jan. 2, 1952; 8:45 a. m.]

[Docket No. G-1851]

COAST COUNTIES GAS AND ELECTRIC CO.

NOTICE OF APPLICATION

DECEMBER 26, 1951.

Take notice that Coast Counties Gas and Electric Company (Applicant), a California corporation with its principal place of business in San Francisco, California, filed on December 11, 1951, an application for a certificate of public convenience and necessity pursuant to section 7 of the Natural Gas Act authorizing the transportation of natural gas in interstate commerce through its existing transmission system known as the "Soap Lake Line" which transports gas from a connection with the "Bay Line" of Pacific Gas and Electric Company (Pacific) to Santa Cruz, California.

Applicant states that Pacific intends to route gas from outside the State of California through this "Bay Line," and Applicant proposes to transport the volumes of interstate gas received from Pacific in the same manner as it has heretofore transported intrastate gas. Applicant states that no new facilities will be required for the proposed transportation.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D. C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) on or before the 17th day of January 1952. The application is on file with the Commission for public inspection.

[SEAL] J. H. GUTRIDE, *Acting Secretary.*

[F. R. Doc. 52-5; Filed, Jan. 2, 1952; 8:46 a. m.]

[Docket Nos. G-1803, G-1819]

SOUTHERN NATURAL GAS CO. AND TRANSCONTINENTAL GAS PIPE LINE CORP.

ORDER CONSOLIDATING PROCEEDINGS AND FIXING DATE OF HEARING

DECEMBER 27, 1951.

On October 3, 1951, Southern Natural Gas Company (Southern), a Delaware corporation, having its principal place of business at Birmingham, Alabama, filed an application for a certificate of public convenience and necessity, pursuant to section 7 of the Natural Gas Act, authorizing the construction and operation of certain natural-gas facilities for the exchange or sale and delivery of natural gas between Southern's pipe-line system and the pipe-line system of Transcontinental Gas Pipe Line Corporation (Transcontinental).

Southern proposes to establish two points of interconnection between its system and that of Transcontinental: (1) on its Gwinville-Selma line near Selma, Alabama; and (2) on its Macon branch line near Jonesboro, Georgia. Said natural-gas facilities are fully described in the aforementioned application now on file with the Commission and open for public inspection.

On October 16, 1951, Transcontinental, a Delaware corporation, having its principal place of business in Houston, Texas,

filed an application for a certificate of public convenience and necessity, pursuant to section 7 of the Natural Gas Act, authorizing the construction and operation of certain natural-gas facilities necessary for Transcontinental to complete the interconnections with the system of Southern described above, and to exchange or sell and deliver natural gas by means of said interconnections.

Said natural-gas facilities are fully described in the aforementioned application now on file with the Commission, and open for public inspection.

Southern and Transcontinental each requested that its application be heard under the shortened procedure provided for by § 1.32 (b) of the Commission's rules of practice and procedure.

The Commission finds:

(1) Good cause exists and it would be in the public interest to consolidate the above-docketed proceedings for purposes of hearing.

(2) This proceeding is a proper one for disposition under the provisions of § 1.32 (b) (18 CFR 1.32 (b)) of the Commission's rules of practice and procedure, applicants having requested that their applications be heard under the shortened procedure provided by the aforesaid rule for noncontested proceedings, and no request to be heard, protest, or petition having been filed subsequently to the giving of due notice of the filing of the applications, including publication in the FEDERAL REGISTER on October 18, 1951 (16 F. R. 10679), and November 1, 1951 (16 F. R. 11129), respectively.

The Commission orders:

(A) Pursuant to the authority contained in and subject to the jurisdiction conferred upon the Federal Power Commission by sections 7 and 15 of the Natural Gas Act, and the Commission's rules of practice and procedure, a hearing be held on January 15, 1952, at 9:45 a. m., e. s. t., in the Hearing Room of the Federal Power Commission, 1800 Pennsylvania Avenue NW., Washington, D. C., concerning the matters involved and the issues presented by such applications: *Provided, however,* That the Commission may, after a noncontested hearing, forthwith dispose of the proceeding pursuant to the provisions of § 1.32 (b) of the Commission's rules of practice and procedure.

(B) Interested State commissions may participate as provided by §§ 1.8 and 1.37 (f) (18 CFR 1.8 and 1.37 (f)) of the said rules of practice and procedure.

Date of issuance: December 27, 1951.

By the Commission.

[SEAL] J. H. GUTRIDE, *Acting Secretary.*

[F. R. Doc. 52-13; Filed, Jan. 2, 1952; 8:47 a. m.]

[Docket No. G-1860]

UNITED GAS PIPE LINE CO.

ORDER SUSPENDING PROPOSED RATE FILING

DECEMBER 21, 1951.

On November 26, 1951, United Gas Pipe Line Company (United) tendered for filing a proposed rate schedule together with three supplements, tentatively designated as United Gas Pipe Line Company Rate Schedule FPC No. 112-A, and Supplement Nos. 1, 2 and 3 thereto, superseding United's Rate Schedule FPC No. 87, providing for the sale and delivery of natural gas to Southern Natural Gas Company (Southern Natural) in the Monroe gas field, Louisiana, including gas produced in the Floyd gas field, Louisiana.

Rate Schedule FPC No. 87 is a contract between the parties dated September 7, 1945, providing for the sale and delivery of natural gas to Southern Natural in the Monroe field of approximately 115,000 Mcf per day, at a price of 38 cents per Mcf demand charge and 5 cents per Mcf commodity charge at a pressure base of 14.9 p. s. i. The proposed Rate Schedule FPC No. 112-A provides for the sale and delivery at the same place of approximately 60,000 Mcf of natural gas per day at a demand charge of 45 cents per Mcf and a commodity charge of 9.7432 cents per Mcf, at a pressure base of 15.025 p. s. i., with an adjustment for the weighted average price paid by United for gas purchased by it in the Carthage field. Additionally, Rate Schedule FPC No. 112-A has a supercompressibility factor for the measurement of the gas. United also seeks to impose on Southern Natural the entire Texas gas gathering tax, as against the 50 percent provision in Rate Schedule FPC No. 87.[1]

United estimates that based on the actual deliveries for the first ten months and estimated for the last two months for the year ended November 1951, the proposed rates would increase Southern Natural's payments by $350,727.

Based on the decreased volumes of gas proposed to be delivered under Rate Schedule FPC No. 112-A, for the twelve months ending November 1952, United estimates the increase will amount to $1,285,790.

United has not furnished the Commission with sufficient cost information which would support or justify the proposed increased rates and changes, nor is there sufficient information to justify the decreased volumes of natural gas to be delivered.

The Commission finds: United's Rate Schedule FPC No. 112-A, together with Supplement Nos. 1, 2, and 3, filed on November 26, 1951, may be unjust, unreasonable, unduly discriminatory or preferential, and may place an undue burden upon ultimate consumers of natural gas, so that the Commission should enter upon a hearing, pursuant to section 4 of the Natural Gas Act, concerning the lawfulness of the rates, charges, and classifications of said rate schedule, including rules, regulations and provisions relating thereto, and that said rate schedule together with the supplements should be suspended pending hearing and decision thereon.

The Commission orders:

(A) United's Rate Schedule FPC No. 112-A and Supplement Nos. 1, 2, and 3 thereto be and the same are hereby suspended, pursuant to section 4 of the Natural Gas Act, and pending a hearing and decision thereon, their use be deferred until May 26, 1952, and until such further time as such rate schedule and supplements may be made effective in the manner prescribed by the Natural Gas Act.

(B) Pursuant to the authority contained in sections 4 and 15 of the Natural Gas Act, and the rules and regulations of the Commission thereunder, a public hearing be held in this proceeding upon a date to be fixed by further order of the Commission.

(C) Interested State commissions may participate as provided by §§ 1.8 and 1.37 (f) (18 CFR 1.8 and 1.37 (f)) of the Commission's rules of practice and procedure.

Date of issuance: December 27, 1951.

By the Commission.

[SEAL] LEON M. FUQUAY, *Secretary.*

[F. R. Doc. 52-12; Filed, Jan. 2, 1952; 8:47 a. m.]

[1] By order of November 7, 1951, at Docket No. G-1834, the Commission suspended the imposition of the Texas gas gathering tax filed pursuant to the "tax adjustment" clause in United's Rate Schedule FPC No. 87.

[Project Nos. 175, 1925, 1933]

FRESNO IRRIGATION DISTRICT AND PACIFIC GAS AND ELECTRIC CO.

NOTICE OF SUPPLEMENTAL OPINION AND ORDER AMENDING ORDERS

DECEMBER 27, 1951.

Notice is hereby given that, on December 21, 1951, the Federal Power Commission issued its supplemental opinion and order, entered December 19, 1951, amending orders issued November 10, 1949, in the above-entitled matters.

J. H. GUTRIDE, *Acting Secretary.*

[F. R. Doc. 52-7; Filed, Jan. 2, 1952; 8:46 a. m.]

ECONOMIC STABILIZATION AGENCY

Office of the Administrator

[Determination 1, Amdt. 20]

APPROVAL OF EXTENT OF THE RELAXATION OF CREDIT CONTROLS IN CRITICAL DEFENSE HOUSING AREAS

Section 3, *Areas affected,* of Determination No. 1 approving the extent of the relaxation of real estate construction credit controls in critical defense housing areas published in 16 F. R. 9582, September 20, 1951, is hereby amended by adding the following areas thereto, in view of the amended joint certification taken by the Acting Secretary of Defense and the Director of Defense Mobilization dated December 19, 1951 (see Docket No. 291) and December 27, 1951 (see Docket Nos. 50, 280 and 128), and in view of the defense housing programs of credit restrictions approved for said areas by the Housing and Home Finance Agency (CR 2, 16 F. R. 3303, CR 3, 16 F. R. 3835):

AREA AND DATE

73. Green Cove Springs, Fla., December 28, 1951.
74. Sanford, Fla., December 28, 1951.
75. Salina, Kans., December 28, 1951.
76. Dover-Denville, N. J., December 28, 1951.

ROGER L. PUTNAM,
Administrator.

DECEMBER 28, 1951.

[F. R. Doc. 51-15478; Filed, Dec. 29, 1951; 2:13 p. m.]

Office of Price Stabilization

[Delegation of Authority 5, Revised]

DIRECTORS OF REGIONAL OFFICES

DELEGATION OF AUTHORITY TO ACT UNDER SECTIONS 39B, 39D, 39E, 39F, AND 39G OF CPR 7

By virtue of the authority vested in me as Director of Price Stabilization pursuant to the Defense Production Act of 1950, as amended, Executive Order 10161 as amended (15 F. R. 6105, 16 F. R. 11257) and Economic Stabilization Agency General Order No. 2, as amended (16 F. R. 738, 11626), this revision of Delegation of Authority 5 (16 F. R. 3672) as amended (16 F. R. 11128) is hereby issued.

1. Authority is hereby delegated to the Directors of the Regional Offices of the Office of Price Stabilization to act under sections 39b, 39d, 39e, 39f, and 39g of Ceiling Price Regulation 7.

2. The authority herein delegated may be redelegated to the Directors of the District Offices of the Office of Price Stabilization.

This delegation of authority shall take effect on December 31, 1951.

EDWARD F. PHELPS, Jr.,
Acting Director of Price Stabilization.

DECEMBER 29, 1951.

[F. R. Doc. 51-15461; Filed, Dec. 29, 1951; 10:24 a. m.]

[Region I, Redelegation of Authority No. 17]

DIRECTORS OF DISTRICT OFFICES, REGION I

REDELEGATION OF AUTHORITY TO ACT ON PRICING AND REPORTS—CPR 34

By virtue of the authority vested in me as Director of the Regional Office of Price Stabilization, No. 1, pursuant to Delegation of Authority No. 28 (16 F. R. 11703) this redelegation of authority is hereby issued.

1. *Authority under section 3 (b) of Ceiling Price Regulation 34, as amended.* Authority is hereby redelegated to the Directors of the District Offices of the Office of Price Stabilization in Region I to accept the reports correcting purely arithmetical errors under the provisions of section 3 (b) of Ceiling Price Regulation 34, as amended.

2. *Authority to act under sections 6, 7, and 8 of Ceiling Price Regulation 34, as amended.* Authority is hereby redelegated to the Directors of the District Offices of the Office of Price Stabilization in Region I to accept reports, establish, approve or disapprove ceiling prices or to require further information under the provisions of sections 6, 7, and 8 of Ceiling Price Regulation 34, as amended.

3. *Authority to act under section 9 of Ceiling Price Regulation 34, as amended.* Authority is hereby redelegated to the Directors of the District Offices of the Office of Price Stabilization in Region I to disapprove or to revise proposed or established ceiling prices under the provisions of section 9 of Ceiling Price Regulation 34, as amended.

4. *Authority to act under sections 18 (b) and 18 (c) of Ceiling Price Regulation 34, as amended.* Authority is hereby redelegated to the Directors of the District Offices of the Office of Price Stabilization in Region I to require further information or to disapprove of statements filed under the provisions of sections 18 (b) and 18 (c) of Ceiling Price Regulation 34, as amended.

5. *Authority to act under section 19 (b) of Ceiling Price Regulation 34, as amended.* Authority is hereby redelegated to the Directors of the District Offices of the Office of Price Stabilization in Region I to establish ceiling prices under section 19 (b) of Ceiling Price Regulation 34, as amended.

This redelegation of authority shall take effect as of December 6, 1951.

JOSEPH M. McDONOUGH,
Director, Regional Office No. 1.

DECEMBER 29, 1951.

[F. R. Doc. 51-15482; Filed, Dec. 29, 1951; 4:39 p. m.]

[Region I, Redelegation of Authority No. 18]

DIRECTORS OF DISTRICT OFFICES REGION I

REDELEGATION OF AUTHORITY TO ACT ON APPLICATIONS FOR EXEMPTION FILED BY NON-PROFIT CLUBS UNDER THE PROVISIONS OF CPR 11

By virtue of the authority vested in me as Director of the Regional Office, Office of Price Stabilization, No. 1, pursuant to Delegation of Authority No. 34 (16 F. R. 11979) this redelegation of authority is hereby issued.

1. *Authority to act under section 9 (e) of CPR, 11.* Authority is hereby redelegated to the Directors of the District Offices of the Office of Price Stabilization in Region I to act on all applications for exemption under the provisions of section 9 (e) of CPR 11.

This redelegation of authority shall take effect as of December 6, 1951.

JOSEPH M. McDONOUGH,
Director, Regional Office No. 1.

DECEMBER 29, 1951.

[F. R. Doc. 51-15483; Filed, Dec. 29, 1951; 4:39 p. m.]

[Region I, Redelegation of Authority No. 19]

DIRECTORS OF DISTRICT OFFICES REGION I

REDELEGATION OF AUTHORITY TO ACT ON APPLICATIONS PERTAINING TO CERTAIN ITEMS OF SAUSAGE

By virtue of the authority vested in me as Director of the Regional Office of Price Stabilization, No. 1, pursuant to Delegation of Authority No. 35 (16 F. R. 12025) this redelegation of authority is hereby issued.

1. Authority is hereby redelegated to the Directors of the District Offices of the Office of Price Stabilization in Region I to request further information, pursuant to section 9 of Revised Supplementary Regulation 34, with respect to any ceiling price granted, reported or proposed pursuant to Supplementary Regulation 34, issued June 12, 1951, or to Revised Supplementary Regulation 34 and at any time to disapprove or revise, pursuant to section 9 of Revised Supplementary Regulation 34, any such granted, reported or proposed ceiling price in order to bring it in line with the general level of prices prevailing under Revised Supplementary Regulation 34. The authority hereby redelegated is to be exercised concurrently with the National Office and the Regional Office.

This redelegation of authority shall take effect as of December 10, 1951.

JOSEPH M. McDONOUGH,
Director, Regional Office No. 1.

DECEMBER 29, 1951.

[F. R. Doc. 51-15484; Filed, Dec. 29, 1951; 4:39 p. m.]

[Region I, Redelegation of Authority No. 20]

DIRECTORS OF DISTRICT OFFICES REGION I

REDELEGATION OF AUTHORITY TO ACT ON APPLICATIONS FOR ADJUSTED CEILING PRICES UNDER GENERAL OVERRIDING REGULATION 20

By virtue of the authority vested in me as Director of the Regional Office of Price Stabilization, No. 1, pursuant to Delegation of Authority No. 36 (16 F. R. 12025) this redelegation of authority is hereby issued.

1. Authority is hereby redelegated to the Directors of the District Offices of the Office of Price Stabilization in Region I:

(a) To request further information from an applicant or grant or deny an application for adjusted ceiling prices made pursuant to General Overriding Regulation 20;

(b) To request further information from an applicant who has requested, pursuant to section 8 of General Overriding Regulation 20 permission to use different calendar periods from those stipulated in the regulation for determining his cost ratios or to disapprove the periods suggested or stipulate the periods which may be used;

(c) To request further information from an applicant, or to approve or disapprove proposed adjusted ceiling prices to particular classes of purchasers for which application has been made pur-

suant to section 10 of General Overriding Regulation 20.

(d) To disapprove, revise or modify ceiling prices proposed to be used or being used under General Overriding Regulation 20, or to direct the applicant to continue using the ceiling prices established for him under the applicable Office of Price Stabilization regulation until further notice.

This redelegation of authority shall take effect as of December 10, 1951.

JOSEPH M. MCDONOUGH,
Director, Regional Office No. 1.

DECEMBER 29, 1951.

[F. R. Doc. 51-15485; Filed, Dec. 29, 1951; 4:40 p. m.]

[Region I, Redelgation of Authority No. 21]

DIRECTORS OF DISTRICT OFFICES REGION I

REDELEGATION OF AUTHORITY TO PROCESS REPORTS OF PROPOSED CEILING PRICES FOR SALES OF FARM EQUIPMENT PURSUANT TO SECTION 5 OF CPR 100

By virtue of the authority vested in me as Director of the Regional Office of Price Stabilization, No. 1, pursuant to Delegation of Authority No. 37 (16 F. R. 12299) this redelegation of authority is hereby issued.

1. Authority is hereby redelegated to the Directors of the District Offices of the Office of Price Stabilization in Region I to approve, pursuant to section 5 of CPR 100, a ceiling price for sales of farm equipment proposed by a seller under CPR 100, disapprove such a proposed ceiling price, establish a different ceiling price by order, or request further information concerning such a ceiling price.

This redelegation of authority shall take effect as of December 10, 1951.

JOSEPH M. MCDONOUGH,
Director, Regional Office No. 1.

DECEMBER 29, 1951.

[F. R. Doc. 51-15486; Filed, Dec. 29, 1951; 4:40 p. m.]

[Region III, Redelegation of Authority No. 8]

DIRECTORS OF DISTRICT OFFICES, REGION III

REDELEGATION OF AUTHORITY TO MODIFY, REVISE OR REQUEST FURTHER INFORMATION CONCERNING APPLICATIONS FILED UNDER THE PROVISIONS OF SECTION 14 (C) OF CPR 74

By virtue of the authority vested in me as Director of the Regional Office of Price Stabilization, No. 3, pursuant to Delegation of Authority No. 31 (16 F. R. 11752) this redelegation of authority is hereby issued.

1. Authority is hereby redelegated to the Directors of the Philadelphia, Pittsburgh, and Erie, Pennsylvania; Wilmington, Delaware; and Camden, New Jersey, Offices of Price Stabilization to modify, revise, or request further information concerning applications filed pursuant to section 14 (c) of CPR 74.

This redelegation of authority shall take effect as of December 14, 1951.

JOSEPH J. MCBRYAN,
Director of Regional Office No. 3.

DECEMBER 29, 1951.

[F. R. Doc. 51-15497; Filed, Dec. 29, 1951; 4:42 p. m.]

[Region III, Redelegation of Authority No. 9]

DIRECTORS OF DISTRICT OFFICES, REGION III

REDELEGATION OF AUTHORITY TO ACT ON ALL APPLICATIONS FOR ADJUSTMENT UNDER THE PROVISIONS OF SECTIONS 1-6 INCLUSIVE OF THE GENERAL CEILING PRICE REGULATION, SUPPLEMENTARY REGULATION NO. 45, AS AMENDED

By virtue of the authority vested in me as Director of the Regional Office of Price Stabilization, No. 3, pursuant to Delegation of Authority No. 14 (16 F. R. 7431) this redelegation of authority is hereby issued.

1. *Authority to act under GCPR, SR 45.* Authority is hereby redelegated to the Directors of the Philadelphia, Pittsburgh, and Erie, Pennsylvania; Wilmington, Delaware; and Camden, New Jersey, Offices of Price Stabilization to act on all applications for adjustment under the provisions of sections 1-6 inclusive of GCPR, SR 45, as amended.

This redelegation of authority shall take effect as of December 10, 1951.

JOSEPH J. MCBRYAN,
Director of Regional Office No. 3.

DECEMBER 29, 1951.

[F. R. Doc. 51-15498; Filed, Dec. 29, 1951; 4:42 p. m.]

[Region III, Redelegation of Authority No. 10]

DIRECTORS OF DISTRICT OFFICES, REGION III

REDELEGATION OF AUTHORITY TO ACT ON APPLICATIONS PERTAINING TO CERTAIN FOOD AND RESTAURANT COMMODITIES; AUTHORITY TO ACT UNDER SECTION 21a OF CPR 15

By virtue of the authority vested in me as Director of the Regional Office of Price Stabilization, No. 3, pursuant to Delegation of Authority No. 8 (16 F. R. 5659), Amendment 1 (16 F. R. 6040), this redelegation of authority is hereby issued.

1. Authority is hereby redelegated to the Directors of the Philadelphia, Pittsburgh, and Erie, Pennsylvania; and Wilmington, Delaware; and Camden, New Jersey, Offices of Price Stabilization to act on all applications, price actions and adjustments under the provisions of section 21a of CPR 15.

This redelegation of authority shall take effect as of December 10, 1951.

JOSEPH J. MCBRYAN,
Director of Regional Office No. 3.

DECEMBER 29, 1951.

[F. R. Doc. 51-15499; Filed, Dec. 29, 1951; 4:42 p. m.]

[Region III, Redelegation of Authority No. 12]

DIRECTOR OF DELAWARE DISTRICT OFFICE, REGION III

REDELEGATION OF AUTHORITY TO PROCESS THE INITIAL REPORTS FILED UNDER SECTION 6 OF CPR 11 AND TO REVISE FOOD COST PER DOLLAR OF SALES RATIO REFERRED TO IN SECTION 4 THEREOF

By virtue of the authority vested in me as Director of the Regional Office of Price Stabilization, No. 3, pursuant to Delegation of Authority No. 17 (16 F. R. 8158), this redelegation of authority is hereby issued.

1. *Authority to act under section 6 of CPR-11.* Authority is hereby redelegated to the Director of the Delaware District Office of Price Stabilization to process the initial reports filed under section 6 or CPR-11 and to revise food cost per dollar of sale ratio referred to in section 4 thereof.

This redelegation of authority shall take effect as of December 10, 1951.

JOSEPH J. MCBRYAN,
Director of Regional Office No. 3.

DECEMBER 29, 1951.

[F. R. Doc. 51-15500; Filed, Dec. 29, 1951; 4:42 p. m.]

[Region III, Redelegation of Authority No. 13]

DIRECTOR OF DELAWARE DISTRICT OFFICE, REGION III

REDELEGATION OF AUTHORITY TO ACT ON ALL APPLICATIONS FOR PRICE ACTION AND ADJUSTMENT UNDER THE PROVISIONS OF SECTION 13 OF CPR-11, AS AMENDED

By virtue of the authority vested in me as Director of the Regional Office of Price Stabilization, No. 3, pursuant to Delegation of Authority No. 13 (16 F. R. 6806), this redelegation of authority is hereby issued.

1. *Authority to act under section 13 of CPR-11, as amended.* Authority is hereby redelegated to the Director of the Delaware District Office of Price Stabilization to act on all applications for price action and adjustment under the provisions of section 13 of CPR-11, as amended.

This redelegation of authority shall take effect as of December 10, 1951.

JOSEPH J. MCBRYAN,
Director of Regional Office No. 3.

DECEMBER 29, 1951.

[F. R. Doc. 51-15501; Filed, Dec. 29, 1951; 4:42 p. m.]

[Region III, Redelegation of Authority No. 14]

DIRECTORS OF DISTRICT OFFICES, REGION III

DELEGATION OF AUTHORITY TO PROCESS REPORTS OF PROPOSED CEILING PRICES FOR SALES AT RETAIL BY RESELLERS PURSUANT TO SECTION 5 OF CPR 67

By virtue of the authority vested in me as Director of the Regional Office

of Price Stabilization, No. 3, pursuant to Delegation of Authority No. 22 (16 F. R. 10010), this redelegation of authority is hereby issued.

1. Authority is hereby redelegated to the Directors of the Philadelphia, Pittsburgh, and Erie, Pennsylvania; and Wilmington, Delaware; and Camden, New Jersey, Offices of Price Stabilization to approve, pursuant to section 5, CPR 67, a ceiling price for sales at retail proposed by a reseller under CPR 67, disapprove such a proposed ceiling price, establish a different ceiling price by order, or request further information concerning such a ceiling price.

This redelegation of authority shall take effect as of December 10, 1951.

JOSEPH J. MCBRYAN,
Director of Regional Office No. 3.

DECEMBER 29, 1951.

[F. R. Doc. 51-15502; Filed, Dec. 29, 1951; 4:43 p. m.]

[Region III, Redelegation of Authority No. 15]

DIRECTORS OF DISTRICT OFFICES, REGION III

DELEGATION OF AUTHORITY TO PROCESS STATEMENTS FILED PURSUANT TO SECTIONS 6 AND 12 OF CPR 92, AND TO APPROVE, DENY, OR REQUEST FURTHER INFORMATION CONCERNING FILINGS MADE PURSUANT TO SECTION 42 (B) AND SECTION 42 (C) (5) AND (6) OF CPR 92

By virtue of the authority vested in me as Director of the Regional Office of Price Stabilization, No. 3, pursuant to Delegation of Authority No. 27 (16 F. R. 11468), this redelegation of authority is hereby issued.

1. Authority is hereby redelegated to the Directors of the Philadelphia, Pittsburgh and Erie, Pennsylvania; Wilmington, Delaware; and Camden, New Jersey, Offices of Price Stabilization to process statements filed under sections 6 and 12 of CPR 92, and to approve, deny, or request further information concerning filings made pursuant to section 42 (b) or section 42 (c) (5) and (6) of CPR 92 and filings made pursuant to section 46 (b) of CPR 92.

This redelegation of authority shall take effect as of December 10, 1951.

JOSEPH J. MCBRYAN,
Director of Regional Office No. 3.

DECEMBER 29, 1951.

[F. R. Doc. 51-15503; Filed, Dec. 29, 1951; 4:43 p. m.]

[Region IX, Redelegation of Authority No. 17]

DIRECTORS OF DISTRICT OFFICES, REGION IX

REDELEGATION OF AUTHORITY TO PROCESS REPORTS OF PROPOSED CEILING PRICES FOR SALES OF FARM EQUIPMENT PURSUANT TO SECTION 5 OF CPR-100

By virtue of the authority vested in me as Director of the Regional Office of Price Stabilization, Region IX, pursuant to the provisions of Delegation of Authority No. 37, dated December 4, 1951 (16 F. R. 12299), this redelegation of authority is hereby issued.

1. Authority is hereby redelegated to the Directors of the District Offices of the Office of Price Stabilization, Region IX, to approve, pursuant to section 5 of CPR-100, a ceiling price for sales of farm equipment proposed by a seller under CPR-100, disapprove such a proposed ceiling price, establish a different ceiling price by order, or request further information concerning such a ceiling price.

This redelegation of authority shall take effect as of December 13, 1951.

M. A. BROOKS,
Acting Regional Director, Region IX.

DECEMBER 29, 1951.

[F. R. Doc. 51-15494; Filed, Dec. 29, 1951; 4:41 p. m.]

[Region IX, Redelegation of Authority No. 18]

DIRECTORS OF DISTRICT OFFICES, REGION IX

REDELEGATION OF AUTHORITY TO ACT UNDER CPR-101

By virtue of the authority vested in me as Director of the Regional Office of Price Stabilization, Region IX, pursuant to the provisions of Delegation of Authority No. 38, dated December 4, 1951 (16 F. R. 12299), this redelegation of authority is hereby issued.

1. Authority is hereby redelegated to the Directors of the District Offices of the Office of Price Stabilization, Region IX, to act under sections 7, 21 (a), 21 (b), 42 (a), 42 (b), 46 (c), and 49 (a) of CPR-101.

This redelegation of authority shall take effect as of December 13, 1951.

M. A. BROOKS,
Acting Regional Director Region IX.

DECEMBER 29, 1951.

[F. R. Doc. 51-15495; Filed, Dec. 29, 1951; 4:41 p. m.]

[Region IX, Redelegation of Authority No. 19]

DIRECTORS OF DISTRICT OFFICES, REGION IX

REDELEGATION OF AUTHORITY TO ACT ON APPLICATIONS FOR ADJUSTED CEILING PRICES UNDER GENERAL OVERRIDING REGULATION 21

By virtue of the authority vested in me as Director of the Regional Office of Price Stabilization, Region IX, pursuant to the provisions of Delegation of Authority No. 39, dated December 6, 1951 (16 F. R. 12376), this redelegation of authority is hereby issued.

1. Authority is hereby redelegated to the Directors of the District Offices of the Office of Price Stabilization, Region IX, to process in the respects indicated herein applications for adjusted ceiling prices under GOR 21 by manufacturers whose net sales for their last complete fiscal year ending not later than July 31, 1951, were not more than $1,000,000:

(a) To direct applicants to broaden the scope of their applications as provided in section 5 (d) of GOR 21.

(b) To approve, disapprove, specify an approved method, or request additional information where applicants submit proposed methods for determining the total unit cost of base-period commodities, as provided in section 8 (f) of GOR 21.

(c) To approve, disapprove or request additional information on applications for alternate methods for computing proposed ceiling prices as provided by section 15 of GOR 21.

(d) To review applications for adjusted ceiling prices, making such investigation of the facts involved, requiring such supplementary information and holding such hearings and conferences as are deemed appropriate for the proper disposition of the application as provided by section 16 of GOR 21.

(e) To issue letter orders as provided by section 16 of GOR 21 establishing or revising ceiling prices: (1) For the commodities covered by applications for adjusted ceiling prices; (2) for other commodities sold by applicants not covered by applications for adjusted ceiling prices; (3) for commodities introduced since the filing date of applications; (4) for commodities introduced after the issuance date of the letter orders.

2. Actions taken in conformance with this Redelegation of Authority have the same effect as actions taken by the Director of Price Stabilization.

This redelegation of authority shall take effect as of December 13, 1951.

M. A. BROOKS,
Acting Regional Director Region IX.

DECEMBER 29, 1951.

[F. R. Doc. 51-15496; Filed, Dec. 29, 1951; 4:42 p. m.]

[Region X, Redelegation of Authority No. 11]

DIRECTORS OF DISTRICT OFFICES, REGION X

REDELEGATION OF AUTHORITY TO PROCESS STATEMENTS FILED PURSUANT TO SECTIONS 6 AND 12 OF CPR 92, AND TO APPROVE, DENY, OR REQUEST FURTHER INFORMATION CONCERNING FILINGS MADE PURSUANT TO SECTION 42 (B) AND SECTION 42 (C) (5) AND (6) OF CPR 92

By virtue of the authority vested in me as Director of the Regional Office of Price Stabilization, No. X, pursuant to Delegation of Authority No. 27 (16 F. R. 11468) this redelegation of authority is hereby issued.

1. Authority is hereby redelegated to the Directors of the Little Rock, Arkansas; Tulsa, Oklahoma; Oklahoma City, Oklahoma; Shreveport, Louisiana; New Orleans, Louisiana; Lubbock, Texas; Fort Worth, Texas; Dallas, Texas; Houston, Texas; and San Antonio, Texas, District Offices of Price Stabilization, to process statements filed under sections 6 and 12 of Ceiling Price Regulation 92, and to approve, deny, or request further information concerning, filings made pursuant to section 42 (b) or section 42 (c) (5) and (6) of Ceiling Price Regulation 92 and filings made

pursuant to section 46 (b) of Ceiling Price Regulation 92.

This redelegation of authority shall take effect as of December 20, 1951.

ALFRED L. SEELYE,
Director of Regional Office, No. X.

DECEMBER 29, 1951.

[F. R. Doc. 51-15487; Filed, Dec. 29, 1951; 4:40 p. m.]

[Region X, Redelegation of Authority No. 12]

DIRECTORS OF DISTRICT OFFICES, REGION X

REDELEGATION OF AUTHORITY TO ACT ON APPLICATIONS PERTAINING TO CERTAIN ITEMS OF SAUSAGE

By virtue of the authority vested in me as Director of the Regional Office of Price Stabilization, No. X, pursuant to Delegation of Authority No. 35 (16 F. R. 12025) this redelegation of authority is hereby issued.

1. Authority to act under the General Ceiling Price Regulation, Revised Supplementary Regulation 34, section 9. Authority is hereby redelegated to the Directors of the Little Rock, Arkansas; Tulsa, Oklahoma; Oklahoma City, Oklahoma; Shreveport, Louisiana; New Orleans, Louisiana; Lubbock, Texas; Fort Worth, Texas; Dallas, Texas; Houston, Texas; and San Antonio, Texas, District Offices of Price Stabilization to request further information, pursuant to the General Ceiling Price Regulation, Revised Supplementary Regulation 34, section 9, with respect to any ceiling price granted, reported or proposed pursuant to the General Ceiling Price Regulation, Supplementary Regulation 34, issued June 12, 1951, or to the General Ceiling Price Regulation, Revised Supplementary Regulation 34 and at any time to disapprove or revise pursuant to the General Ceiling Price Regulation, Revised Supplementary Regulation 34, section 9, any such granted, reported or proposed ceiling price in order to bring it in line with the geenral level of prices prevailing under the General Ceiling Price Regulation, Revised Supplementary Regulation 34.

This redelegation of authority shall take effect as of December 20, 1951.

ALFRED L. SEELYE,
Director of Regional Office No. X.

DECEMBER 29, 1951.

[F. R. Doc. 51-15488; Filed, Dec. 29, 1951; 4:40 p. m.]

[Region X, Dedelegation of Authority No. 13]

DIRECTORS OF DISTRICT OFFICES, REGION X

REDELEGATION OF AUTHORITY TO ACT UNDER CPR 74

By virtue of the authority vested in me as Director of the Regional Office of Price Stabilization, No. X, pursuant to Delegation of Authority No. 32 (16 F. R. 11891), this redelegation of authority is hereby issued.

Authority is hereby redelegated to the Directors of the Little Rock, Arkansas; Tulsa, Oklahoma; Oklahoma City, Oklahoma; Shreveport, Louisiana; New Orleans, Louisiana; Lubbock, Texas; Fort Worth, Texas; Dallas, Texas; Houston, Texas; and San Antonio, Texas, District Offices of Price Stabilization to act under sections 12, 43 (a) and (b), 44 (a) and (b), 45 (a) and (b), 46, 47, 49, 50, and 60 (c) of Ceiling Price Regulation 74.

This redelegation of authority shall take effect as of December 20, 1951.

ALFRED L. SEELYE,
Director of Regional Office, No. X.

DECEMBER 29, 1951.

[F. R. Doc. 51-15489; Filed, Dec. 29, 1951; 4:40 p. m.]

[Region X, Redelegation of Authority No. 14]

DIRECTORS OF DISTRICT OFFICES, REGION X

REDELEGATION OF AUTHORITY TO ACT ON APPLICATIONS FOR ADJUSTED CEILING PRICES UNDER GENERAL OVERRIDING REGULATION 20

By virtue of the authority vested in me as Director of the Regional Office of Price Stabilization, No. X, pursuant to Delegation of Authority No. 36 (16 F. R. 12025) this redelegation of authority is hereby issued.

1. Authority is hereby redelegated to the Directors of the Little Rock, Arkansas; Tulsa, Oklahoma; Oklahoma City, Oklahoma; Shreveport, Louisiana; New Orleans, Louisiana; Lubbock, Texas; Fort Worth, Texas; Dallas, Texas; Houston, Texas; and San Antonio, Texas, District Offices of Price Stabilization:

(a) To request further information from an applicant or grant or deny an application for adjusted ceiling prices made pursuant to General Overriding Regulation 20;

(b) To request further information from an applicant who has requested, pursuant to section 8 of General Overriding Regulation 20 permission to use different calendar periods from those stipulated in the regulation for determining his cost ratios or to disapprove the periods suggested or stipulate the periods which may be used;

(c) To request further information from an applicant, or to approve or disapprove proposed adjusted ceiling prices to particular classes of purchasers for which application has been made pursuant to section 10 of General Overriding Regulation 20.

(d) To disapprove, revise or modify ceiling prices proposed to be used or being under General Overriding Regulation 20, or to direct the applicant to continue using the ceiling prices established for him under the applicable Office of Price Stabilization regulation until further notice.

This redelegation of authority shall take effect as of December 20, 1951.

ALFRED L. SEELYE,
Director of Regional Office, No. X.

DECEMBER 29, 1951.

[F. R. Doc. 51-15490; Filed, Dec. 29, 1951; 4:41 p. m.]

[Region X, Redelegation of Authority No. 15]

DIRECTORS OF DISTRICT OFFICES, REGION X

REDELEGATION OF AUTHORITY TO ACT UNDER CPR 101

By virtue of the authority vested in me as Director of the Regional Office of Price Stabilization, No. X, pursuant to Delegation of Authority No. 38 (16 F. R. 12299) this redelegation of authority is hereby issued.

Authority is hereby redelegated to the Directors of the Little Rock, Arkansas; Tulsa, Oklahoma; Oklahoma City, Oklahoma; Shreveport, Louisiana; New Orleans, Louisiana; Lubbock, Texas; Fort Worth, Texas; Dallas, Texas; Houston, Texas; and San Antonio, Texas, District Offices of Price Stabilization to act under sections 7, 21 (a), 21 (b), 42 (a), 42 (b), 46 (c), and 49 (a) of CPR 101.

This redelegation of authority shall take effect as of December 24, 1951.

ALFRED L. SEELYE,
Director of Regional Office No. X.

DECEMBER 29, 1951.

[F. R. Doc. 51-15491; Filed, Dec. 29, 1951; 4:41 p. m.]

[Region X, Redelegation of Authority No. 16]

DIRECTORS OF DISTRICT OFFICES, REGION X

REDELEGATION OF AUTHORITY TO MODIFY, REVISE, OR REQUEST FURTHER INFORMATION CONCERNING APPLICATIONS FILED UNDER THE PROVISIONS OF SECTION 14 (C) OF CPR 74

By virtue of the authority vested in me as Director of the Regional Office of Price Stabilization, No. X, pursuant to Delegation of Authority No. 31 (16 F. R. 11752) this redelegation of authority is hereby issued.

Authority is hereby redelegated to the Directors of the Little Rock, Arkansas; Tulsa, Oklahoma; Oklahoma City, Oklahoma; Shreveport, Louisiana; New Orleans, Louisiana; Lubbock, Texas; Fort Worth, Texas; Dallas, Texas; Houston, Texas; and San Antonio, Texas, District Offices of Price Stabilization to modify, revise, or request further information concerning applications filed pursuant to section 14 (c) of CPR 74.

This redelegation of authority shall take effect as of December 24, 1951.

ALFRED L. SEELYE,
Director of Regional Office No. X.

DECEMBER 29, 1951.

[F. R. Doc. 51-15492; Filed, Dec. 29, 1951; 4:41 p. m.]

[Region X, Redelegation of Authority No. 17]

DIRECTORS OF DISTRICT OFFICES, REGION X

REDELEGATION OF AUTHORITY TO ACT ON APPLICATIONS FOR ADJUSTED CEILING PRICES UNDER GENERAL OVERRIDING REGULATION 21

By virtue of the authority vested in me as Director of the Regional Office of Price Stabilization, No. X, pursuant to Delegation of Authority No. 39 (16 F. R. 12376),

this redelegation of authority is hereby issued.

1. Authority is hereby redelegated to the Directors of the Little Rock, Arkansas; Tulsa, Oklahoma; Oklahoma City, Oklahoma; Shreveport, Louisiana; New Orleans, Louisiana; Lubbock, Texas; Fort Worth, Texas; Dallas, Texas; Houston, Texas; and San Antonio, Texas, District Offices of Price Stabilization to process in the respects indicated herein applications for adjusted ceiling prices under GOR 21 by manufacturers whose net sales for their last complete fiscal year ending not later than July 31, 1951, were not more than $1,000,000:

(a) To direct applicants to broaden the scope of their applications as provided in section 5 (d) of GOR 21.

(b) To approve, disapprove, specify an approved method, or request additional information where applicants submit proposed methods for determining the total unit cost of base-period commodities, as provided in section 8 (f) of GOR 21.

(c) To approve, disapprove or request additional information on applications for alternate methods for computing proposed ceiling prices as provided by section 15 of GOR 21.

(d) To review applications for adjusted ceiling prices, making such investigation of the facts involved, requiring such supplementary information and holding such hearings and conferences as are deemed appropriate for the proper disposition of the application as provided by section 16 of GOR 21.

(e) To issue letter orders as provided by section 16 of GOR 21 establishing or revising ceiling prices: (1) For the commodities covered by applications for adjusted ceiling prices; (2) for other commodities sold by applicants not covered by applications for adjusted ceiling prices; (3) for commodities introduced since the filing date of applications; (4) for commodities introduced after the issuance date of the letter orders.

2. Actions taken in conformance with this delegation of authority have the same effect as actions taken by the Director of Price Stabilization.

This redelegation of authority shall take effect as of December 21, 1951.

ALFRED L. SEELYE,
Director of Regional Office No. X.

DECEMBER 29, 1951.

[F. R. Doc. 51-15493; Filed, Dec. 29, 1951; 4:41 p. m.]

[Region XII, Redelegation of Authority No. 10]

DIRECTORS OF DISTRICT OFFICES, REGION XII

REDELEGATION OF AUTHORITY TO ACT ON APPLICATIONS FOR ADJUSTED CEILING PRICES UNDER GENERAL OVERRIDING REGULATION 20

By virtue of the authority vested in me as Director of the Regional Office of Price Stabilization, No. XII, pursuant to Delegation of Authority No. 36 (16 F. R. 12025), this redelegation of authority is hereby issued.

1. Authority is hereby redelegated to the Directors of the Los Angeles and San Francisco District Offices of the Office of Price Stabilization:

(a) To request further information from an applicant or grant or deny an application for adjusted ceiling prices, made pursuant to General Overriding Regulation 20;

(b) To request further information from an applicant who has requested, pursuant to section 8 of General Overriding Regulation 20, permission to use different calendar periods from those stipulated in the regulation for determining his cost ratios or to disapprove the periods suggested or stipulate the periods which may be used;

(c) To request further information from an applicant, or to approve or disapprove proposed adjusted ceiling prices to particular classes of purchasers for which application has been made pursuant to section 10 of General Overriding Regulation 20.

(d) To disapprove, revise or modify ceiling prices proposed to be used or being used under General Overriding Regulation 20, or to direct the applicant to continue using the ceiling prices established for him under the applicable Office of Price Stabilization regulation until further notice.

This redelegation of authority shall take effect as of December 10, 1951.

Issued: December 29, 1951.

JOHN H. TOLAN, Jr.,
Director of Regional Office No. XII.

[F. R. Doc. 51-15481; Filed, Dec. 29, 1951; 4:39 p. m.]

OFFICE OF DEFENSE MOBILIZATION

[CDHA No. 28]

FINDING AND DETERMINATION OF CRITICAL DEFENSE HOUSING AREAS UNDER THE DEFENSE HOUSING AND COMMUNITY FACILITIES AND SERVICES ACT OF 1951

DECEMBER 29, 1951.

Upon a review of the construction of new defense plants and installations, and the reactivation or expansion of operations of existing defense plants and installations, and the in-migration of defense workers or military personnel to carry out activities at such plants or installations, and the availability of housing and community facilities and services for such defense workers and military personnel in each of the areas set forth below, I find that all of the conditions set forth in section 101 (b) of the Defense Housing and Community Facilities and Services Act of 1951 (Public Law 139, 82d Cong., 1st Sess.) exist.

Accordingly, pursuant to section 101 of the Defense Housing and Community Facilities and Services Act of 1951 and by virtue of the authority vested in me by paragraph number 1 of Executive Order 10296 of October 2, 1951, I hereby determine that each of said areas is a critical defense housing area.

Great Falls, Montana, Area. (The area consists of School Districts 1, 5, 8, 9, 10, 17, 24, 25, 29, 48, 50, 52, 71, 72, 73, 74, 85, and 93 including the cities of Great Falls and Belt, all in Cascade County, Montana.)

Port Townsend, Washington, Area. (The area consists of the Precincts of Center, Chimacum; Coyle, Gardiner, Hadlock, Irondale, Leland, Nordland, Port Discovery, Port Ludlow, Quilcene, Tarboo, Woodman, and all of Port Townsend Precincts, in Jefferson County, Washington.)

Anaconda, Montana, area. (The area consists of all of Deer Lodge County, Montana.)

Reno, Nevada, Area. (The area consists of the Townships of Reno, Sparks, and Verdi, including the Cities of Reno and Sparks, all in Washoe County, Nevada.)

Monmouth County, New Jersey, Area. (The area consists of all of Monmouth County, New Jersey, except the Boroughs of Allentown and Roosevelt and the Townships of Upper Freehold and Millstone.)

Moultrie, Georgia, Area. (The area consists of Colquitt County in South Central Georgia.)

C. E. WILSON,
Director,
Office of Defense Mobilization.

[F. R. Doc. 51-15462; Filed, Dec. 29, 1951; 10:42 a. m.]

[R. C. 26; Nos. 89, 143, 167, 269, 336]

BRIDGEPORT, CONN., AREA ET AL.

DETERMINATION AND CERTIFICATION OF A CRITICAL DEFENSE HOUSING AREA

DECEMBER 29, 1951.

Upon specific data which has been prescribed by and presented to the Secretary of Defense and the Director of Defense Mobilization and on the basis of other information available in the discharge of their official duties, the undersigned find that the conditions required by section 204 (1) of the Housing and Rent Act of 1947, as amended, exist in the areas designated as:

Docket No. 143—Bridgeport, Connecticut, Area. (The area consists of the Towns of Bridgeport, Easton, Fairfield, Monroe, Stratford, and Trumbull in Fairfield County; and the Town of Milford in New Haven County.)

Docket No. 89—Big Spring, Texas, Area. (The area consists of Howard County, Texas.)

Docket No. 167—Umatilla-Hermiston, Oregon, Area. (The area consists of precincts 28, 29, 31, 32, 33, and 34, including the Cities of Stanfield, Hermiston, and Umatilla, all in Umatilla County, Oregon.)

Docket No. 336—Flagstaff, Arizona, Area. (The area consists of that part of supervisorial District 1, south of 36° latitude and that part of supervisorial District 2, north of 35° latitude, in Coconino County, Arizona.)

Docket No. 269—Midland, Pennsylvania, Area. (The area consists of that part of Beaver County North and East of the Ohio River, except the townships of Economy and Harmony and the Boroughs of Ambridge, Baden, and Conway, in Pennsylvania.)

Therefore, pursuant to section 204 (1) of the Housing and Rent Act of 1947, as amended, and Executive Order 10276 of July 31, 1951, the undersigned jointly determine and certify that each of the areas designated on the attached list is a critical defense housing area.

WILLIAM C. FOSTER,
Acting Secretary of Defense.
C. E. WILSON,
Director of Defense Mobilization.

[F. R. Doc. 51-15463; Filed, Dec. 29, 1951; 10:42 a. m.]

[Defense Mobilization Order 13]

CREATING A PROCUREMENT POLICY BOARD

By virtue of the authority vested in me by Executive Order No. 10193, and in order to assist in improving the coordination and effectiveness of federal policies and programs with respect to procurement and related matters, *It is hereby ordered:*

1. There is established in the Office of Defense Mobilization a Procurement Policy Board which shall consist of a Chairman appointed by the Director and of appropriate representatives approved by the Director from the following departments or agencies:

Department of the Treasury.
Department of Defense.
Department of Commerce.
Department of Justice.
Atomic Energy Commission.
Defense Production Administration.
Defense Materials Procurement Agency.
Economic Stabilization Agency.
Federal Reserve System.
Federal Trade Commission.
General Accounting Office.
General Services Administration.
National Advisory Committee for Aeronautics.
Renegotiation Board.
Reconstruction Finance Corporation.
Small Defense Plants Administration.

2. The Procurement Policy Board shall:

A. Advise the Director with respect to procurement and related matters including but not limited to financing, accounting, facilities expansion, taxation, and renegotiation.

B. Review federal policies, plans, programs and actions relating to the above matters, and make recommendations to the Director for the improvement of their coordination and effectiveness.

C. Review and formulate proposed legislation and executive orders, administrative orders and regulations relating to the above matters for the Director.

3. This order shall take effect on January 3, 1952.

OFFICE OF DEFENSE MOBILIZATION,
CHARLES E. WILSON,
Director.

DECEMBER 29, 1951.

[F. R. Doc. 52-80; Filed, Jan. 2, 1952; 10:59 a. m.]

[Defense Mobilization Order 14]

ESTABLISHING THE POSITION OF ASSISTANT TO THE DIRECTOR FOR PROCUREMENT

By virtue of the authority vested in me by Executive Order No. 10193 of December 16, 1950, and in order to improve the coordination and effectiveness of Federal policies, programs and actions with respect to procurement and related matters including but not limited to financing, accounting, facilities expansion, taxation and renegotiation, *It is hereby ordered:*

There is established in the Office of Defense Mobilization the position of Assistant to the Director for Procurement who shall:

1. Act as Chairman of the Procurement Policy Board.

2. Advise the Director with respect to procurement and related matters including the functions assigned to the Procurement Policy Board.

This order shall take effect on January 3, 1952.

OFFICE OF DEFENSE MOBILIZATION,
CHARLES E. WILSON,
Director.

DECEMBER 29, 1951.

[F. R. Doc. 52-81; Filed, Jan. 2, 1952; 10:59 a. m.]

[CDHA No. 22]

FINDING AND DETERMINATION OF CRITICAL DEFENSE HOUSING AREAS UNDER THE DEFENSE HOUSING AND COMMUNITY FACILITIES AND SERVICES ACT OF 1951

DECEMBER 4, 1951.

Upon a review of the construction of new defense plants and installations, and the reactivation or expansion of operations of existing defense plants and installations, and the in-migration of defense workers or military personnel to carry out activities at such plants or installations, and the availability of housing and community facilities and services for such defense workers and military personnel in each of the areas set forth below, I find that all of the conditions set forth in section 101 (b) of the Defense Housing and Community Facilities and Services Act of 1951 (Public Law 138, 82d Cong., 1st Sess.) exist.

Accordingly, pursuant to section 101 of the Defense Housing and Community Facilities and Services Act of 1951 and by virtue of the authority vested in me by paragraph number 1 of Executive Order 10296 of October 2, 1951, I hereby determine that each of said areas is a critical defense housing area.

Lone Star, Texas, Area. (The area consists of all of Camp and Morris Counties; precincts 1, 2, and 8, including Hughes Springs, Linden and Avinger, in Cass County; precincts 1, 2, 3, and 6, including Jefferson City in Marion County; precincts 1, 4, 5, 6, and 7, including Mt. Pleasant, in Titus County; all in Texas.)

Valdosta, Georgia, Area. (The area consists of all of Lowndes and Lanier Counties, Georgia.)

Paducah, Kentucky, Area. (The area consists of all of McCracken and Ballard counties, and Magisterial Districts 5, 6, 7, and 8, including the city of Mayfield, in Graves County, Kentucky; Massac County, Illinois, and the township of Vienna, including Vienna City, in Johnson County, Illinois.)

The above descriptions supersede the designations of the same areas included in CDHA No. 12, dated November 19, 1951.

C. E. WILSON,
Director,
Office of Defense Mobilization.

F. R. Doc. 52-64; Filed, Jan. 2, 1952; 10:32 a. m.]

SECURITIES AND EXCHANGE COMMISSION

[File Nos. 54-168, 54-149]

AMERICAN POWER & LIGHT CO. AND ELECTRIC BOND AND SHARE CO.

INTERIM ORDER PERMITTING PAYMENTS ON ACCOUNT OF FINAL ALLOWANCES OF FEES AND EXPENSES

DECEMBER 26, 1951.

The Commission, by order dated October 4, 1949, having approved an Amended Plan relating to American Power & Light Company ("American") filed pursuant to section 11 (e) of the Public Utility Holding Company Act of 1935 designed to effectuate compliance with section 11 (b) of the act; and

Said order of October 4, 1949, having reserved jurisdiction to consider and determine the reasonableness and appropriate allocation of all fees, expenses, and other remuneration paid or to be paid in connection with these proceedings; and

Applications for allowances for fees and reimbursement of expenses having been filed, as set forth in the Commission's Notice of Hearing thereon (Holding Company Act Release No. 10272), and a public hearing with respect to such applications having been held; and

The Commission finding for reasons similar to those set forth in its Memorandum Opinion and Order in the case of Northern States Power Company (Holding Company Act Release No. 10305) and upon consideration of the proceedings and record herein that it is appropriate to permit payments on account of fees and expenses in advance of final allowances to be made to certain of the applicants herein set forth below:

It is ordered, That American Power & Light Company be, and hereby is, permitted to make such payments forthwith, in respect of fees, and to reimburse said claimants for disbursements, in the amounts set forth below on account of final allowances to those of the following named persons who desire to receive payments at this time:

Name	Fees	Disbursements
Leo B. Mittelman, Estate of Joseph Nemerov by Nemerov & Shapiro, and H. Paul Shanik, counsel to special protective committee of common stockholders of American	$33,000	$11,417.09
Theodore R. Meckoul, financial adviser to special protective committee of common stockholders of American	36,000	----------
Members of special protective committee of common stockholders of American		
Alfred J. Kirch	2,500	----------
Norman S. Nemser	2,000	----------
Robert M. Zelnick	1,000	----------
Harold Barnett	1,500	----------
Shearman & Sterling & Wright, counsel for $6 preferred stock group	52,000	13,092.66
E. Ralph Sterling, financial adviser to $6 preferred stock group	5,500	220.33
Debevoise, Plimpton & McLean, counsel for $5 preferred stock group	43,000	7,636.74
Reis & Chandler, Inc., financial advisers to $5 preferred stock group	20,000	1,653.25

It is further ordered, That the jurisdiction heretofore reserved with respect to fees, expenses, and other remuneration in these proceedings be and the same hereby is continued to be reserved for the purpose of determining such further amounts as may be found to be reasonable and appropriate, and that such payments or acceptance thereof shall be without prejudice to the rights of the parties with respect to final allowances.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F. R. Doc. 52-9; Filed, Jan. 2, 1952; 8:46 a. m.]

[File No. 70-2730]

OKLAHOMA GAS AND ELECTRIC CO. AND EARL W. BAKER UTILITIES CO.

ORDER PERMITTING ISSUANCE OF COMMON STOCK BY UTILITY COMPANY IN EXCHANGE FOR COMMON STOCK OF NON-AFFILIATED COMPANY TO BE FOLLOWED BY LIQUIDATION OF SUCH NON-AFFILIATED COMPANY

DECEMBER 27, 1951.

Oklahoma Gas and Electric Company ("Oklahoma"), a public utility subsidiary of Standard Gas and Electric Company and Standard Power and Light Corporation, both registered holding companies, and Earl W. Baker Utilities Company ("Baker"), a non-affiliated electric utility and water company operating in territory contiguous to Oklahoma's service area, having filed a joint application-declaration and four amendments thereto pursuant to the Public Utility Holding Company Act of 1935 ("act"), and certain rules and regulations promulgated thereunder with respect to the following transactions:

Oklahoma proposes to issue and deliver 42,765 shares of its common stock, par value $10 a share, to the present stockholders of Baker in exchange for 750 shares of the capital stock of Baker.

Baker has authorized and outstanding 1,000 shares of capital stock, par value $100 a share, all of these shares being owned in varying amounts by four individuals. Baker serves approximately 2,200 electric customers in an area of about 180 square miles, northwest and north of Oklahoma City and contiguous to the territory served by Oklahoma. All of Baker's electric energy requirements are furnished by Oklahoma.

Oklahoma proposes, as soon as possible after becoming the principal share holder of Baker, to cause the liquidation and dissolution of Baker on a basis whereby Oklahoma will receive 75 percent of the net assets of Baker, including all the electric properties, and the other shareholders of Baker will receive the remaining net assets, including all the water properties.

The filing contains a pro-forma statement of income wherein it is estimated that for the 12 months ended August 31, 1951, Oklahoma would have derived $50,588 net income from the electric properties now owned by Baker. Baker's net income for that period from its electric operations was $32,477. The net original cost of Baker's electric plant at August 31, 1951, is stated to have been $239,403. Oklahoma proposes to record its investment in the Baker stock at $855,300, the approximate aggregate market price of the 42,765 shares of its common stock to be issued. These new shares of Oklahoma stock will be recorded in the capital stock account at $427,650, the aggregate par value thereof, and $427,650 will be recorded as premium on common stock. In connection with the subsequent liquidation of Baker, Oklahoma will write off the excess of the purchase price over the net assets acquired from Baker by an immediate charge to earned surplus.

The Corporation Commission of Oklahoma and the Public Service Commission of Arkansas have authorized the proposed stock issuance by Oklahoma and the Oklahoma Commission has also authorized the acquisition by Oklahoma of the electric properties of Baker in connection with the liquidation of Baker.

Notice of the filing of this joint application-declaration having been duly given in the form prescribed by Rule U-23 promulgated pursuant to the act, and the Commission not having received a request for a hearing, and not having ordered a hearing thereon; and

The Commission finding with respect to said joint application-declaration, as amended, that all of the applicable statutory standards are satisfied and that there is no basis for any adverse findings, and deeming it appropriate in the public interest and in the interest of investors and consumers that said joint application-declaration, as amended, be granted and permitted to become effective forthwith:

It is ordered, Pursuant to said Rule U-23 and the applicable provisions of the act, that the joint application-declaration, as amended be, and the same hereby is, granted and permitted to become effective forthwith, subject to the terms and conditions prescribed in Rule U-24.

By the Commission.

[SEAL] ORVAL L. DUBOIS, *Secretary.*

[F. R. Doc. 52-11; Filed, Jan. 2, 1952; 8:47 a. m.]

[File No. 70-2766]

INDIANA & MICHIGAN ELECTRIC CO.

NOTICE OF FILING REGARDING ISSUANCE AND SALE OF BONDS AND SERIAL NOTES

DECEMBER 26, 1951.

Notice is hereby given that Indiana & Michigan Electric Company ("Indiana"), an electric utility subsidiary of American Gas and Electric Company ("American Gas"), a registered holding company, has filed an application with the Commission, pursuant to the Public Utility Holding Company Act of 1935, particularly section 6 (b) and Rules U-42 and U-50 of the rules and regulations under the act, with regard to the transactions therein set forth which are summarized as follows:

Indiana proposes to issue and sell, pursuant to the competitive bidding requirements of Rule U-50, $17,000,000 principal amount of First Mortgage Bonds, __ Percent Series due 1982, and $6,000,000 principal amount of __ Percent Serial Notes, due 1956-1967.

The bonds proposed to be sold will be issued under and secured by the existing Mortgage and Deed of Trust, dated June 1, 1939, as supplemented and amended, and a new Supplemental Indenture to be dated as of January 1, 1952.

The Serial Notes will be issued pursuant to an agreement to be dated as of January 1, 1952 between Indiana and Chemical Bank & Trust Company as Trustee. The Notes are to be issued in twelve series, maturing annually in amounts of $250,000 in the years 1956 to 1960, inclusive; $500,000 in the years 1961 and 1962; and $750,000 in the years 1963 to 1967, inclusive.

American Gas, the parent company of Indiana, proposes to make a cash capital contribution to Indiana equal to the balance of an aggregate to $8,000,000 concurrently with the issuance of the Bonds and Serial Notes. Such contribution will be made in accordance with the prior order of this Commission, dated December 3, 1951, pursuant to which American Gas on December 10, 1951, made a cash capital contribution to Indiana in the amount of $2,000,000 leaving a balance of $6,000,000 yet to be contributed. The proposed sales of the Bonds and Serial Notes are stated to be conditioned upon the consummation of such transaction.

The applicant states that part of the proceeds from the sales of the Bonds and Serial Notes and the cash capital contribution are to be applied to the payment, without premium, of notes payable to certain banks in the amount of $12,000,000 heretofore issued for construction purposes, and the balance will be added to Indiana's treasury funds and applied to additions and improvements to its properties. Applicant further states that $2,000,000 principal amount of such notes payable to certain banks will mature prior to the issuance and sale of the Bonds and Serial Notes and will be paid from the proceeds of a portion of the cash capital contributions to be made by American Gas. Indiana also requests that the period for receiving bids as provided in Rule U-50 (b) be shortened to seven days so that bids may be received on January 22, 1952.

Notice is further given that any interested person may, not later than January 10, 1952, at 5:30 p. m., e. s. t., request in writing that a hearing be held on such matter, stating the nature of his interest, the reasons for such request and the issues of fact or law, if any, raised by said application which he desires to controvert, or may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, 425 Second Street NW., Washington, 25, D. C. At any time after January 10, 1952, at 5:30 p. m., e. s. t., said application, as filed or as amended, may be

granted as provided in Rules U-20 (a) and U-100 thereof.

By the Commission.

ORVAL L. DUBOIS,
Secretary.

[F. R. Doc. 52-10; Filed, Jan. 2, 1952; 8:47 a. m.]

INTERSTATE COMMERCE COMMISSION

[Rev. S. O. 562, King's I. C. C. Order 56]

NASHVILLE, CHATTANOOGA AND ST. LOUIS RAILWAY

REROUTING OR DIVERSION OF TRAFFIC

In the opinion of Homer C. King, Agent, the Nashville, Chattanooga and St. Louis Railway because of high water, is unable to transport traffic routed over its lines between Hobbs Island and Guntersville: *It is ordered;* That:

(a) Rerouting NC&StL traffic: The Nashville, Chattanooga and St. Louis Railway is hereby authorized to reroute or divert traffic moving on its lines, routed via its car ferry, over any available route to expedite the movement; the billing covering all such cars rerouted shall carry a reference to this order as authorized for the rerouting.

(b) Concurrence of receiving roads to be obtained: The railroad desiring to divert or reroute traffic under this order shall confer with the proper transportation officer of the railroad or railroads to which such traffic is to be diverted or rerouted, and shall receive the concurrence of such other railroads before the rerouting or diversion is ordered.

(c) Notification to shippers: Each carrier rerouting cars in accordance with this order shall notify each shipper at the time each car is rerouted or diverted and shall furnish to such shipper the new routing provided under this order.

(d) Inasmuch as the diversion or rerouting of traffic by said Agent is deemed to be due to carrier's disability, the rates applicable to traffic diverted or rerouted by said Agent shall be the rates which were applicable at the time of shipment on the shipments as originally routed.

(e) In executing the directions of the Commission and of such Agent provided for in this order, the common carriers involved shall proceed even though no contracts, agreements, or arrangements now exist between them with reference to the divisions of the rates of transportation applicable to said traffic; divisions shall be, during the time this order remains in force, those voluntarily agreed upon by and between said carriers; or upon failure of the carriers to so agree, said divisions shall be those hereafter fixed by the Commission in accordance with pertinent authority conferred upon it by the Interstate Commerce Act.

(f) Effective date: This order shall become effective at 12:01 p. m., December 21, 1951.

(g) Expiration date: This order shall expire at 11:59 p. m., January 21, 1952, unless otherwise modified, changed, suspended or annulled.

It is further ordered, That this order shall be served upon the Association of American Railroads, Car Service Division, as agent of all railroads subscribing to the car service and per diem agreement under the terms of that agreement.

Issued at Washington, D. C., December 21, 1951.

INTERSTATE COMMERCE COMMISSION,
HOMER C. KING,
Agent.

[F. R. Doc. 52-18; Filed, Jan. 2, 1952; 8:49 a. m.]

[Rev. S. O. 562, King's I. C. C. Order 57]

RAILROADS IN CHICAGO AREA

REROUTING OR DIVERSION OF TRAFFIC

In the opinion of Homer C. King, Agent, the railroads in the Chicago area, because of snow or ice, are unable to transport traffic routed over their lines in that territory: *It is ordered,* That:

(a) Rerouting traffic: Railroads experiencing operating difficulties in and through the Chicago area, on account of snow or ice, are hereby authorized to divert to open routes such traffic as the latter can handle, in order to expedite movements, regardless of routing shown on the waybill. The billing covering all such cars rerouted shall carry a reference to this order as authority for the rerouting.

(b) Concurrence of receiving roads to be obtained: The railroads desiring to divert or reroute traffic under this order shall confer with the proper transportation officer of the railroad or railroads to which such traffic is to be diverted or rerouted, and shall receive the concurrence of such other railroads before the rerouting or diversion is ordered.

(c) Notification to shippers: The carrier rerouting cars in accordance with this order shall notify each shipper at the time each car is rerouted or diverted and shall furnish to such shipper the new routing provided under this order.

(d) Inasmuch as the diversion or rerouting of traffic by said Agent is deemed to be due to carriers' disability, the rates applicable to traffic diverted or rerouted by said Agent shall be the rates which were applicable at the time of shipment on the shipments as originally routed.

(e) In executing the directions of the Commission and of such Agent provided for in this order, the common carriers involved shall proceed even though no contracts, agreements, or arrangements now exist between them with reference to the divisions of the rates of transportation applicable to said traffic; divisions shall be, during the time this order remains in force, those voluntarily agreed upon by and between said carriers; or upon failure of the carriers to so agree, said divisions shall be those hereafter fixed by the Commission in accordance with pertinent authority conferred upon it by the Interstate Commerce Act.

(f) Effective date: This order shall become effective at 9:00 a. m., December 22, 1951.

(g) Expiration date: This order shall expire at 11:59 p. m., January 22, 1952, unless otherwise modified, changed, suspended, or annulled.

It is further ordered, That this order shall be served upon the Association of American Railroads, Car Service Division, as agent of all railroads subscribing to the car service and per diem agreement under the terms of that agreement and by filing it with the Director, Division of the Federal Register.

Issued at Washington, D. C., December 22, 1951.

INTERSTATE COMMERCE COMMISSION,
HOMER C. KING,
Agent.

[F. R. Doc. 52-17; Filed, Jan. 2, 1952; 8:49 a. m.]

[4th Sec. Application 26664]

SULPHUR FROM STARKS, LA., TO POINTS IN SOUTHERN AND OFFICIAL TERRITORIES

APPLICATION FOR RELIEF

DECEMBER 28, 1951.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: F. C. Kratzmeir, Agent, for carriers parties to his tariffs I. C. C. Nos. 3988, 3987, and 3571.

Commodities involved: Sulphur, crude or refined, carloads.

From: Starks, La.

To: Points in southern and official territories.

Grounds for relief: Circuitous routes, to maintain grouping, and to apply over short tariff routes rates constructed on the basis of the short line distance formula.

Schedules filed containing proposed rates: F. C. Kratzmeir's tariff I. C. C. No. 3988, Supp. 9; F. C. Kratzmeir's tariff I. C. C. No. 3987, Supp. 15; F. C. Kratzmeir's tariff I. C. C. No. 3571, Supp. 225.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL] W. P. BARTEL,
Secretary.

[F. R. Doc. 52-19; Filed, Jan. 2, 1952; 8:50 a. m.]

[4th Sec. Application 26665]

PETROLEUM PRODUCTS FROM TUSCALOOSA, ALA., TO WESTERN TRUNK-LINE TERRITORY

APPLICATION FOR RELIEF

DECEMBER 28, 1951.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: R. E. Boyle, Jr., Agent, for carriers parties to Agent W. P. Emerson, Jr.'s tariff I. C. C. No. 408.

Commodities involved: Petroleum products, carloads.

From: Tuscaloosa, Ala.

To: Points in western trunk-line territory.

Grounds for relief: Competition with rail carriers, circuitous routes, market competition, and to maintain grouping.

Schedules filed containing proposed rates: W. P. Emerson, Jr.'s tariff I. C. C. No. 408, Supp. 26.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL] W. P. BARTEL, *Secretary.*

[F. R. Doc. 52-20; Filed, Jan. 2, 1952; 8:50 a. m.]

[4th Sec. Application 26666]

NEWSPRINT PAPER FROM EASTERN CANADA TO MEMPHIS, TENN.

APPLICATION FOR RELIEF

DECEMBER 28, 1951.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: R. E. Boyle, Jr., Agent, for carriers parties to Canadian National Ry. tariff I. C. C. No. E-480 and Canadian Pacific Ry. tariff I. C. C. No. E-2584.

Commodities involved: Newsprint paper, carloads.

From: Points in eastern Canada.

To: Memphis, Tenn.

Grounds for relief: Competition with rail carriers and to maintain grouping.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL] W. P. BARTEL, *Secretary.*

[F. R. Doc. 52-21; Filed, Jan. 2, 1952; 8:50 a. m.]

[4th Sec. Application 26667]

ONIONS FROM LAKE MILLS AND RACINE, WIS., TO MISSISSIPPI VALLEY TERRITORY

APPLICATION FOR RELIEF

DECEMBER 28, 1951.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: R. G. Raasch, Agent, for carriers parties to his tariff I. C. C. No. 699.

Commodities involved: Onions (without tops), carloads.

From: Lake Mills and Racine, Wis.

To: Mississippi Valley territory.

Grounds for relief: Competition with rail carriers and circuitous routes.

Schedules filed containing proposed rates: R. G. Raasch's tariff I. C. C. No. 699, Supp. 30.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL] W. P. BARTEL, *Secretary.*

[F. R. Doc. 52-22; Filed, Jan. 2, 1952; 8:50 a. m.]

[4th Sec. Application 26668]

MOTOR-RAIL-MOTOR RATES BETWEEN ST. PAUL, MINN., AND CHICAGO, ILL.

APPLICATION FOR RELIEF

DECEMBER 28, 1951.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: Middlewest Motor Freight Bureau, Agent, for Chicago Great Western Railway Company and White's Motor Transport.

Commodities involved: All commodities.

Between: St. Paul, Minn., and Chicago, Ill.

Grounds for relief: Competition with motor carriers.

Schedules filed containing proposed rates: Middlewest Motor Freight Bureau, Agent, I. C. C. No. 39, Supp. 4.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL] W. P. BARTEL, *Secretary.*

[F. R. Doc. 52-23; Filed, Jan. 2, 1952; 8:50 a. m.]

[4th Sec. Application 26669]

SUGAR FROM NEW ORLEANS, LA., TO CHICAGO, ILL.

APPLICATION FOR RELIEF

DECEMBER 28, 1951.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: W. P. Emerson, Jr., Agent, for The Atchison, Topeka and Santa Fe Railway Company and other carriers.

Commodities involved: Sugar, carloads.

From: New Orleans, La.

To: Chicago, Ill.

Grounds for relief: Competition with rail carriers and circuitous routes.

Schedules filed containing proposed rates: W. P. Emerson, Jr.'s tariff I. C. C. No. 352, Supp. 67.

Any interested person desiring the Commission to hold a hearing upon such

application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL] W. P. BARTEL, *Secretary.*

[F. R. Doc. 52-24; Filed, Jan. 2, 1952; 8:51 a. m.]

[4th Sec. Application 26670]

SUGAR FROM NEW ORLEANS, LA., TO CHICAGO, ILL.

APPLICATION FOR RELIEF

DECEMBER 28, 1951.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: W. P. Emerson, Jr., Agent, for The Atchison, Topeka and Santa Fe Railway Company and other carriers.

Commodities involved: Sugar, carloads.

From: New Orleans, La.

To: Chicago, Ill.

Grounds for relief: Competition with rail carriers and circuitous routes.

Schedules filed containing proposed rates: W. P. Emerson, Jr.'s tariff I. C. C. No. 352, Supp. 67.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL] W. P. BARTEL, *Secretary.*

[F. R. Doc. 52-25; Filed, Jan. 2, 1952; 8:51 a. m.]